

'Gross Up' Provisions in Office Leases

Few concepts are as confusing as the "gross up" of operating expenses to those who do not regularly deal with office leases, writes **William Hof** in a **white paper** for Husch Blackwell.

"Most tenants understand that in addition to base rent, tenants often directly reimburse their landlords for a portion of the building's operating expenses (e.g., real estate taxes, casualty insurance, maintenance, utilities, etc.)," explains Hof.

In the paper, he defines "gross up" and explains how it works, and he discusses variable vs. constant expenses and tenant protection.

Read the article.