



Commercial Property Inspection for Lessees

A commercial real estate lease is one of the biggest financial obligations for any company. Whether the client is starting a business that requires a storefront or expanding their business locations, they should always have the physical condition of the property examined by a commercial inspector before entering into or renewing a lease agreement.

A commercial property inspection helps both landlord and tenant ensure that all parties are maintaining acceptable property conditions and can anticipate their operating expenses throughout the tenancy. The lessee can also use the commercial inspection to:

1. **Avoid a money pit.** If the tenant is responsible for the cost of maintenance and repairs for a building to some degree, they'll want to know about any big-ticket repairs or replacements in the foreseeable future.
2. **Anticipate the costs for upkeep.** A commercial inspection report will help the lessee predict and prioritize preventative maintenance and disruptions or inconveniences caused by inevitable building maintenance and repairs. Deficiencies can become not just expensive to remedy, but also disruptive to daily business operations.
3. **Attract and retain customers.** When commercial real estate is poorly maintained, it can affect the prospective customers' perception and decrease foot traffic. A neglected property can also result in various inconveniences, such as equipment failure, noise pollution, or full or partial shutdown of the building.
4. **Assure the health and safety of occupants.** Both landlord and tenant have liability and responsibilities that extend to employees, customers, and occupants. Each party should be made aware of potential hazards at their onset, rather than risk the health and safety of the building's occupants.
5. **Avoid legal claims.** A commercial inspection report will provide the client with documentation about the condition of the building during the period of the lease. The tenant may need this to avoid or quickly settle any legal claims that often revolve around the return of security deposits.

The Power Behind Lease Negotiation

Technically, the lease agreement is the transfer of risk from one party to another for a set period of time, such that the landlord wants to transfer risk to the tenant and vice versa, and whoever has more negotiating power transfers the most risk. What you see isn't always what you get.

Never assume there isn't negotiating potential for prospective lessees or even during lease renewals. Commercial property inspectors play a critical role in the lessee's due diligence process. An inspection report will provide them with the information and documentation they need to negotiate concessions that minimize the risks that could affect the safety of the building's occupants, as well as operating expenses.

Schedule a Commercial Property Inspection

Every commercial property inspection project is different. Contact us to discuss the specific needs for your project. A commercial property inspection will pay for itself many, many times over.

