

Spring 2025 Course Overview

Negotiating Commercial Leases

Session B, 1.5 credits, Call No. 11763, PLA 6375

Martin Gold and Mitchell Nelson, Monday 9 - 11 am, 113 Avery

Suitable for all students.

The Spring leasing class is the second half of our two-part sequence on leasing. The Fall class had a financial focus. The Spring course continues from the Fall focusing, in depth, to intensively:

- delve into key issues between landlord and tenant and the negotiation of language to address them. The professors will point out the enormous difference that little changes in language can make and how critical careful review of the detailed language can be for both landlord and tenant;
- provide insight into protecting cash flow and returns over the length of the lease;
- understand the many ways that sophisticated modern leases contain hidden profit centers and control features that can be a boon for landlords and a black hole for tenants;
- discover the need for, and the limits of, trying to write in flexibility;
- understand the mindset of landlords and tenants to help students be able to work with lawyers when negotiating a lease, or when handling leases on their own. (Counsel can be very expensive.)

The allocations of risk and rewards within the lease, and who has control in specific situations, can be critical to obtaining financing, to annual profitability, and to how well the lease (and the relationship) work. Risk allocation and control are two themes that run throughout negotiations and through the lease.

The Spring space leasing course is 14 years old so this elective, which is taught by two veteran attorneys, with many years of teaching experience, will open up the ins and outs of space leasing for you, including topics that include: brokerage agreements, the role lenders play, work letters, how good guy guaranties work, roof and basement rights, green lease provisions, and, of course, options and space additions and deletions. How landlord services are delivered and billed, from electricity to security systems, are important building management issues that are also covered. The possible interruption of services and defaults are arm wrestling issues during negotiations and often evolve into intense disputes and litigations when they occur. The Covid pandemic and the upsurge in natural disasters are two frontpage examples of the problem. Light will also be shed on complex issues like gross-ups clauses, casualties, constructive eviction, subletting, termination and holding over. The class format encourages active give and take over landlord and tenant positions and loud arguments on occasion.