Commercial leases are governed by state and local law, and most of the tenant protections that apply to homes don't apply to businesses — rent, deposits, repairs, and the right to end the lease are mostly whatever the lease says. Terms such as operating-expense pass-throughs, personal guarantees, and use and zoning restrictions carry real financial risk. This template is a general starting point only — not legal advice — and should be reviewed by a local attorney before use.

Commercial Lease Agreement

Landlord: [Landlord name], [Landlord legal name] **Tenant:** [Tenant name], [Tenant business legal name] **Date:** [Date]

1. Premises

Landlord leases to Tenant the space at [Street address, suite or unit, city, state, ZIP], about [Number] square feet [shown on the attached floor plan] (the "Premises"), together with the non-exclusive right to use the building's common areas, such as parking, hallways, and restrooms, [and [Number] reserved parking spaces].

2. Term

The lease begins on [Commencement date] and ends on [Expiration date] ([Number] years). [Optional renewal: "Tenant may renew for one additional [Number]-year term by giving written notice at least [Number] months before the lease ends, at a rent of [Amount / the then-market rent / a [percentage]% increase]."]

3. Rent

Base rent is [Amount] per month, due on the [1st] day of each month by [method], starting on [Rent start date, e.g., after any free-rent period]. Base rent increases by [percentage]% [or: "to [Amount]"] on each anniversary of the commencement date. Rent paid more than [Number] days late incurs a late fee of [Amount].

4. Operating Expenses

[Choose one:] "Gross lease: base rent includes property taxes, building insurance, and common-area maintenance." / "Tenant also pays its share ([percentage]%, based on square footage) of the building's property taxes, insurance, and common-area maintenance ('operating expenses'), estimated at [Amount] per month and reconciled each year against actual costs, with Landlord providing a statement." [Operating-expense pass-throughs can be a large, variable cost: Tenant should ask for past years' actual figures and consider a cap on annual increases.]

5. Security Deposit

Tenant will pay a security deposit of [Amount] at signing. Landlord may apply it to unpaid rent or other amounts Tenant owes, and will return the balance within [Number] days after the lease ends and Tenant vacates.

6. Use

Tenant will use the Premises only for [permitted use, e.g., "a dental office"] and for no other purpose without Landlord's written consent. Tenant is responsible for confirming that zoning and any required permits allow its use, and for obtaining its own business licenses.

7. Utilities

Tenant pays for [e.g., "electricity, internet, and phone"], [separately metered]. Landlord provides [e.g., "water, sewer, and trash, included in rent / in operating expenses"].

8. Repairs and Maintenance

Landlord maintains the roof, structure, foundation, and the building's shared systems and common areas [and the heating and air-conditioning system serving the Premises]. Tenant maintains the interior of the Premises, its own fixtures and equipment, [and the HVAC system serving only the Premises], and repairs damage caused by Tenant, its employees, or customers.

9. Alterations and Signs

Tenant may not make structural changes, or other alterations costing more than [Amount], without Landlord's written consent, which Landlord won't unreasonably withhold. Tenant may install signs [on the building directory and storefront] that comply with law and building rules. At the end of the lease, Tenant removes its trade fixtures and signs and repairs any damage; other improvements stay [unless Landlord asks for their removal when consenting].

10. Insurance and Indemnity

Tenant will carry commercial general liability insurance of at least [Amount] per occurrence, naming Landlord as an additional insured, plus insurance on its own property. Landlord insures the building. Each party is responsible for claims arising from its own negligence or that of its employees and contractors.

11. Assignment and Subletting

Tenant may not assign this lease or sublet any part of the Premises without Landlord's written consent, which Landlord won't unreasonably withhold. Tenant remains responsible under the lease unless Landlord releases it in writing.

12. Default

If Tenant doesn't pay rent within [Number] days after written notice, or doesn't cure another breach within [Number] days after written notice, Landlord may end the lease and recover possession through the legal process, and recover unpaid rent and damages as the law allows. Landlord will try to reduce its damages by re-letting the Premises where the law requires.

13. Personal Guarantee

[Optional:] [Guarantor name] personally guarantees Tenant's obligations under this lease [for the first [Number] years / up to [Amount]], under the separate guarantee attached. [A personal guarantee puts the owner's personal assets at risk; negotiate a cap or a time limit.]

14. Ending the Lease, Notices, and Governing Law

At the end of the lease, Tenant returns the Premises broom-clean and in good condition, except normal wear and tear and damage Landlord must repair. Notices go to the addresses above [and by email]. This lease, with its attachments, is the entire agreement; changes must be in writing and signed by both. It is governed by the laws of [State where the Premises are located].

Signatures

By signing below, each party agrees to these terms.

[Landlord name] ("Landlord")

Signature: _____ Printed name: _____ Date: _____

[Tenant name] ("Tenant")

Signature: _____ Printed name: _____ Date: _____

This template is a general starting point, not legal advice — customize it and have it reviewed for your situation.