

Leasing a place of business



Things to know

- Most office, retail and industrial space in Canada is available only through a commercial lease.
- Most commercial lease transactions start with a binding offer to lease that sets out the most important business terms; a non-binding letter of intent could also be used for this purpose, although it is less common.
- Commercial leases in Canada are typically on a fully net basis, which requires a tenant to pay basic rent plus a proportionate share of the realty taxes, insurance, utility and other maintenance charges for the building.
- In a retail lease, the tenant may also be required to pay a percentage of its sales as “percentage rent”.

Things to do

DETERMINE YOUR SPACE REQUIREMENTS

- Leases generally have a term of five or ten years, so consider whether you need expansion or contraction rights or a right of first refusal on other space in the building.

CONSIDER THE FINANCIAL OBLIGATIONS

- Determine if the entity doing business in Canada has a sufficient net worth to satisfy the lease obligations or if an indemnity from a related company or other security might be necessary.

FIND A REAL ESTATE BROKER IN CANADA

- Consider leveraging your business relationship with your local real estate broker, if any, to see if they have relationships with a broker located in Canada, or consult local advisors for recommendations – a local broker can provide invaluable information on local market conditions and rental rates.

USEFUL RESOURCES

Government of Canada

- [How to lease commercial real estate](#)

osler.com

- [Negotiating leases 101: Implications of deal terms and extensions](#)

RELATED TOPICS

- [Acquiring real estate](#)
- [Forming a Canadian subsidiary](#)
- [Filings and registrations](#)
- [Hiring employees](#)



Need more info?

Osler's Real Estate Group can help. Find out more at osler.com/realestate