



## **Technical Lease Issues: Construction**

There are numerous technical issues that need to be addressed to provide optimum conditions for the tenant during construction and subsequent occupancy of the space. The condition and performance of the base building systems directly affect the overall cost to the tenant. Similarly, the rules imposed by the landlord for construction can have substantial economic impact to the tenant.

It is critical that these issues are fully negotiated in the lease document because once the lease is executed; the tenant gives up control and is subject to the landlord's judgment and determination. The following outline includes some of the construction issues to be considered:

- Punch list of Space to be Occupied
- Presence and Responsibility for Asbestos
- Compliance of Space to be Occupied with ADA
- Landlord Rules and Regulations for Construction
- Definition of Substantial Completion
- Process for Submission and Landlord Approval of Plans
- Landlord's Approved Contractors and Subcontractors, etc.
- Fire Alarm Contractor Provides Services at Market Rates
- Availability and Cost of Elevators and Loading Dock
- Cost of Electricity and Air Conditioning During Construction
- Distribution Process and Restrictions for Cash Workletter
- Review of Quantity and Quality of Material in Non-Cash Workletter
- Cost and Schedule Determinations if Landlord Performs Buildout
- Access to Other Space for Structural Reinforcement

*This information provided by The Pinnacle Group, creator of The Office Maximizer Method™*

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