



LAPOINTE ROSENSTEIN
MARCHAND MELANÇON
L.L.P. Attorneys

Examination and Analysis of Various Operating Expense Clauses in Leases

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Steven Chaimberg**

1. General Principle

- commercial lease is an agreement that divides risk and costs relating to a property between the parties;
- how costs are to be divided and paid is an important consideration;
- landlord wants to obtain the return on its investment it is anticipating, and to increase the value of its building;
- the transfer of the obligation to pay for expenses incurred in maintaining, operating, repairing and replacing the building will allow the landlord to obtain its “true” return;
- the better the lease is drafted, in terms of ensuring this transfer and payment right on the part of the landlord, the closer the landlord will come to realizing its goal;
- for the tenant, the object is different; the tenant wants to pay the least amount of operating expenses, while still receiving the highest degree of services possible;
- the fact that the landlord or the tenant uses what it designates as its “standard form of lease” should not be an impediment to negotiation;
- the parties need to define their objectives;
- what are the parties prepared to pay for?
- the definition of terms may lead to unexpected results;
- as is stated in the book “The Complete Negotiator” by Gerald Nierenberg, “Your success in life depends upon your success as a negotiator”;
- Nierenberg also makes a very important point, that is sometimes lost on persons who are involved in negotiating commercial leases:

“The idea that everyone wins in a successful negotiation is not being presented here solely on ethical grounds. In actuality it is considered simply good business”.

2. Perils of Using Standard Form Leases

- if the public sector party is the tenant, the use of the tenant’s standard form obliges the landlords to change its view point;
- the landlords is now required to ensure that the exacting terms set forth in the lease are a reflection of how it operates its property;
- e.g. the form of lease used by the federal government provides that rent is paid “on the last day of each and every month during the Term”, which is not at all in conformity with the usual commercial practice;
- it may result in unexpected expenses being “absorbed” by the landlord, due to the landlord’s obligation to upgrade the entire building, rather than merely the leased premises of the public sector tenant (e.g. washrooms, corridors, entrances and exits);
- it might bring about penalties being imposed upon the landlord, for non-fulfilment of its maintenance and repair and operation obligations, due to the costs of such obligations increasing much faster than the rental increases permitted under the lease;
- the value of the property may be adversely affected by the obligatory use of the public sector lease form;
- e.g. the measurement standards set out in the lease may not be in accord with the landlord’s standard form lease, and thus may create anomalies due to duelling measurements;
- e.g. the form of lease used by the federal government simply provides, in its “Assignment” clause, that “The Lessee may assign this Lease or sublet the Leased Premises or any part thereof with the consent of the Lessor. Such consent shall not be unreasonably withheld.”
- in Quebec, article 1873 CCQ provides as follows: “*The assignment of a lease acquits the former lessee of his obligations, unless, where the lease is not a lease of a dwelling, the parties agree otherwise.*”
- it is interesting to note that while the standard form federal government lease provides for various changes to be made thereto, in order to insert alternate wording to deal with the peculiarities of Quebec, the “Assignment” clause is not one that contains such alternate wording;
- The above wording is “acceptable” for the common law provinces, where the assignment of the lease does not relieve the tenant of liability under the lease, based on the principle of privity of contract. With an assignment the privity of estate between the landlord and the tenant is terminated, since the tenant who no longer occupies the premises ends the physical relationship he had with the landlord prior to the assignment. Nonetheless, the tenant remains responsible for his obligations under the lease since the privity of contract remains intact. For this reason, the landlord can



enforce the original tenant's obligations under the lease for the remainder of the term including any extensions or renewals. This was affirmed in the Supreme Court of Canada's 2004 decision in the case of *Crystalline Investments Limited v. Domgroup Ltd.*, [2004] 1 S.C.R. 60.

- accordingly, in the event that the federal government desires to assign its lease, what was once a triple A tenant has now been replaced by something that, unless it is a provincial government, cannot even come close to matching the creditworthiness and security afforded by the feds. The lease in question has ceased to be "bondable" to the extent that it had been previously, and the value of the property has plummeted;
- note that for leases entered into with the SIQ, its standard form of lease provides as follows: "*Le consentement du Propriétaire n'est pas requis lorsque le Locataire désire sous-louer ou céder une partie ou la totalité du présent bail.*"
- thus the same issue as raised by the federal government's lease exist in Quebec, although the SIQ has been prepared to add the following wording to its lease: "*Cependant, dans le cas de sous-location ou de cession, le présent Locataire demeurera solidairement responsable avec tout cessionnaire ou sous-locataire*". These added words ensure continued liability on the part of the SIQ;

3. The Lease Form

- the lease must define the objectives of the parties;
- what are the parties prepared to pay for?
- the lack of precision in defined terms may lead to unexpected results;

4. Various Types of Leases

4.1 Gross Lease:

- very seldom seen;
- defined as follows by ICSC, in its Dictionary of Shopping Centre Terms: "*a lease in which the landlord pays 100 percent of all taxes, insurance and maintenance associated with the operation of a shopping centre*"

4.2 Semi-Gross Lease:

- tenant will pay a fixed rent, together with its proportionate share of increases in various operating expenses and real estate taxes over those incurred in the "base year";
- depending upon the wording of the lease, utilities will either be paid directly by the tenant, over and above the fixed rent and proportionate share of increases in operating expenses, or will form part of the operating expenses and thus be caught by the "base year" provision;
- note that issues of base year must be addressed by the parties, especially where the building is in the process of being constructed;



- the federal government's lease contains a provision where the government, as tenant, will pay its proportionate share of increases in real estate taxes over the base year taxes, however, the base year is indicated as being the year in which the Building in question *"has been assessed to its full value as a fully completed building for the whole of such year, without rebate or concession"*;
- this means that the landlord may have to wait a while, until the federal tenant will pay anything in terms of real estate taxes;
- the federal government's lease provides for Operating Costs to be initially determined by the parties at a certain amount per square meter, and then to be adjusted annually, based upon the changes in the All Item Consumer Price Index for each Province;
- the SIQ lease provides for operating expenses to be initially fixed at a certain amount per square meter, and then to be increased/decreased annually based upon increases/decreases in CPI; the base CPI is not the usual "all items, regional cities", but rather a combination of two CPI indexes. 75% of base index is composed of the general consumer price index, and 25% of the base index is composed of the public energy cost index. A number of things are necessary to remember, in this circumstance:
 - (i) the landlord must ensure that the initial amount set out, for operating expenses, is sufficient to cover the actual costs that are incurred by the landlord, for the increases (or decreases) thereafter are based solely on CPI, whether the actual costs go up or down by a greater or lesser extent;
 - (ii) standard SIQ lease does not provide for the amount payable in subsequent years to be "upward only"; therefore, if CPI goes down (and it has very recently, at least in energy costs), the amount to be recovered by the landlord may be less than needed;
 - (iii) must verify if there is an annual "cap" in terms of maximum amount of operating expense increases; if there is, this could result in the landlord having a shortfall that carries on from year to year; TO ELABORATE UPON

4.3 Net Leases

- a true "net" lease is one where the expenses relating to the maintenance, repair, replacement of the premises and the building in which the premises are situated, in circumstances where the premises form merely a part of the building, are assumed in their totality by the tenant(s) of the building;
- in this circumstance, the risk is transferred from the landlord to the tenant, and the tenant pays all expenses relating to the premises, as though it were the owner thereof;
- in most "net" leases, the landlord will retain a certain level of control in respect of the building;



- there are two things to be looked at, the first relating to which party will carry out certain repairs (e.g. structural, capital expense nature), and the second being which party will pay for them;
- the net lease concept is, in reality, a continuum, and thus often, the more “nets” that one sees, the more the landlord is attempting to shift responsibility for payment of costs onto the tenant;
- Me. Nahum Gelber, in an article published in 1975 entitled “*Commercial and Industrial Leases*”, had attempted to distinguish among net leases, net net leases, net net net leases, and net net net net leases; however, the definitions proposed by Me Gelber do not appear to have found favour in the jurisprudence;
- Black’s Law Dictionary defines a net lease as one in which a tenant shall pay, in addition to rent, expenses relating to the leased premises, such as taxes, insurance, maintenance, etc.;
- in the ICSC’s Dictionary of Shopping Centre Terms, a net lease is defined as a lease in which the tenant agrees to pay rent and its proportionate share of the center’s ongoing expenses, such as taxes, insurance and property repairs and maintenance;
- Nicole Lafrance, in her 1982 book entitled “*Le bail commercial, de certains aspects actuels et éléments de planification*”, states that “il ne faut pas se laisser impressionner par les différents qualificatifs de “net”... qui n’ont en soi aucune valeur juridique. La seule chose à retenir est que le locateur veut se libérer à la fois des risques financiers, en faisant assumer par le locataire les imponderables, et aussi de ses obligations légales en transférant au locataire toutes les obligations mentionnées au CCBC comme lui revenant”. Me Lafrance states that one must ask the party who wants a net lease or a net net lease (i.e. the landlord) to define the expenses that would be added to the base rent;
- the internet allows us to search for meanings in ways previously not dreamed of, and thus I thought that it would be interesting to share Investopedia’s definition that I have found of a net net net lease with you:

A lease agreement that designates the lessee (the tenant) as being solely responsible for all of the costs relating to the asset being leased in addition to the rent fee applied under the lease. The structure of this type of lease requires the lessee to pay for net real estate taxes on the leased asset, net building insurance and net common area maintenance. The lessee has to pay the net amount of three types of costs, which how this term got its name.

This type of lease can also be referred to as a "net-net-net lease" or a "hell or high water lease".

- in the case of 9073-5085 Québec inc. c. Immeubles du jardin inc., [2007] QCCS 1397, Mr. Justice Pelletier, cited with approval the comments made by Madame Justice Bénéard in the case of 161718 Canada Inc. v. Société Radio-Canada [1998] A.Q. 1997, and then went on to say that “*ce n’est pas parce que le bail utilise les mots «net net net» que le locateur est justifié d’y ajouter des dépenses importantes qui n’ont pas fait l’objet de discussions entre les parties et qui, pour cause, ne sont pas*



mentionnées dans le bail. Le tribunal doit rechercher l'intention des parties lorsque les clauses ne sont pas claires et ambiguës.”

- the federal government's lease states that "Operating Costs....means the amounts represented by the Lessor only, by reason of and in respect to the following: (i)....(xii) an administrative charge equal to 2% of the above Operating Costs; must not ethat this list is limitative, and not illustrative, and thus if the expense in question cannot be slotted into one of the categories in question, it cannot be charged back to the tenant; as well, as 2% administrative charge is well below the amount charged in the private sector;
- the foregoing principles demonstrate that in circumstances where the parties use terms such as "gross", "semi-gross", "base year", "net", "net net", "net net net", "net net net net", "absolutely net and carefree", or other such monikers, the important thing is to look beyond these words. The reason for the lease, the term of years, the amount and value of improvements made to the premises, the extent of the building the lease covers, the number of tenants in the building, and the negotiating power of each of the parties, all go into the task of determining what costs are to be absorbed by the landlord, and what costs are to be passed on to and paid for by the tenant.

5. Various Components of Operating Expenses

5.1 HVAC

- what is the case if the tenant needs added HVAC, because of the type of operations? e.g. if the tenant is operating on a 24/7 basis, vs. a normal office tenant's hours;
- how should the tenant who uses added HVAC be charged?
- should a separate check meter be installed for the tenant?
- should there be a fixed charge per every "X" hours added HVAC?
- does the building have the capacity to provide the added HVAC, or is there an initial installation cost that should be passed on to the tenant?
- who should install the added HVAC, the landlord or the tenant?
- what should be done with the added HVAC at the end of the term of the lease? should it remain? should it be removed? e.g the case of the high-tech tenant that does game testing or other work that requires added HVAC, and in that case, it was decided by the parties that the lease would be signed and both parties would reserve their rights to argue their points at the end of the term

5.2 Insurance

- the landlord's insurance may need to be taken out with an insurer who is acceptable to the tenant (federal lease provides for this), in which case, the landlord may be forced to decide between changing its insurer or losing its triple-A tenant;



- what if the new insurer would charge more for the policies than the landlord's existing insurer? should the tenant be obliged to pay for the added costs, or should they be passed on to all tenants of the building? should the landlord's obligation to change insurer depend upon whether or not the federal government is the sole tenant in the building, or merely one of many?
- if the government is the tenant, and its standard form of lease is used, the terms of the lease may prevent the landlord from charging back to the tenant various types of insurance; e.g. rental interruption insurance is not listed in the government's standard form lease as one of the types of insurance that the landlord is to take out, and thus the cost of same would not be able to be passed on to the tenant, if it is taken out by the landlord (who may be obliged to do so, by virtue of its commitments under its hypothec;
- what should be the result if the fact that the tenant is the Government causes the cost of insurance in respect of the building to rise?
- many commercial leases provide that should the use to which the premises are put cause the insurance costs to rise, the landlord has the right to pass on to the tenant such costs;
- the sublet assignment clause of the lease may bring about the application of the change of use and potential insurance increase, especially if the government has the absolute right to assign or sublet; the new assignee or subtenant may well be a greater insurance risk
- in the case of *United States of America v. Bleury-Dorchester Realities inc.* (C.S., August 25, 2009), the court held that a Section 18.02 of the lease, which stated as follows:

"The Tenant shall pay to the Landlord any extra premiums of insurance that the company or companies insuring the Land and Building may exact in consequence of the business carried on by the Tenant, of anything brought into or stored in the Premises by the Tenant, or of the Tenant's operations".

would not entitle the landlord to charge the tenant more than its proportionate share of the terrorism insurance obtained by the landlord.

Facts:

In 1989 the United States of America (the "**Tenants**") signed a lease (the "**Lease**") with Bleury-Dorchester Realities inc. (the "**Landlord**") for a space in which they exercise their Montreal consular activities. The Landlord is a wholly owned subsidiary of SNC Lavalin inc. ("**SNC**"). The Tenants completed the original term of the Lease. However, problems relating to the renewal options occurred. Also, special charges following the terrorists attacks of September 11, 2001, were in dispute. Furthermore, terrorism coverage under the general insurance policy covering buildings was not available in 2003, and if obtained, this coverage was pricey. In this context, the Landlord decided to obtain specific terrorism coverage and decided that the Tenants were solely responsible for the cost. An invoice was sent to the Tenants requesting payment. The Tenants declined to pay the amount claimed stating that at most, insurance costs were



covered under the operating expenses clauses and that their proportionate share was admitted at 11%. The Tenants, under protest, deposited in Court the whole amount claimed for the terrorist insurance. They also exercised their first renewal option as permitted under the Lease. The Landlord considered that the Tenants were in default under the Lease and as a consequence were foreclosed from exercising the option. A safeguard order was issued and the Tenants deposited the rents in a joint trust account.

The Tenants claimed that they did not have to pay the whole amount of the terrorist insurance since it was obtained based on a corporate decision of SNC, the owner of the Landlord. If any amount was payable under the Lease, it was their proportionate share of operating expenses admitted at 11%, and then only for the part relating to the Landlord. They claimed that they were not in default under the Lease and that consequently, the base rent for renewal was set in the Lease.

The Landlord took the position that the Tenants were in default under the Lease for failure to pay the terrorist premium and therefore they could not validly exercise the option to renew. It further took the position that there were no similar premises in the building and for that reason, the options to renew were null since there was no way to establish a market rent as provided under the Lease.

Decision:

The decision of the insurance industry to insure building owners separately was taken as a result of September 11 and was not due to the operation of the Consulate in Montreal. There was no proof that the operation and business carried on by the Tenants in the building were the reasons that the premium for the terrorist insurance went up. Consequently, the Court concluded that the increase in premium was not related to an event covered under section 18.01 of the Lease but rather was covered under section 1.01(k) relating to operating expenses. Under this section, the Tenants were to pay only a proportionate share, set at 11%.

Under the Lease a notice of renewal had to be made twelve months before the expiry of the term of the Lease. The Tenants sent their renewal in time. The Landlord contended that the Tenants had failed to pay the insurance premium claimed for terrorism and therefore had lost their options to renew the Lease. Pursuant to the Lease, in case of default, the Landlord had to send the Tenants a seven day notice to cure. However, no such letter was sent. Only in June 2002, did the Landlord mention the word default, but this, without notice to cure. Despite the fact that the Tenants took the position that the only terrorist insurance costs owed was their proportionate share of the amount related to the building only, they immediately paid the full amount claimed under protest. The Court concluded that the Tenants were not in default and therefore had not forfeited their option to renew.

With respect to the rent owed, the Landlord alleged that at the date of renewal, there were no similar premises in the building and that nothing in the contract allowed a party to look elsewhere for a rate. The Court disagreed and found that the two SNC leases could be read together and offered the only comparable rates in the building. Consequently, the first two options to renew had been duly exercised and the base rent was \$23.11 a square foot while the rent for the storage was \$25.92 a square foot.



Finally, the Tenant claimed the reimbursement of extra security costs they were required to pay by the Landlord following demonstrations in front of the Consulate. The Court found that the Landlord was well founded to recover extra security and clean up costs which were directly related to the operations of the Tenants and in no way related to the other tenants.

The case was appealed.

- in the case of *Benjannet v. Au P'tit Bar des Frangines*, March 16, 2007 (Court of Appeal), the Court of Appeal held that the insurance clause in question, which stated as follows:

8.3 Si le taux des primes d'assurance du locateur pour l'une ou l'autre des polices couvrant ou se rapportant à l'immeuble augmente, par suite de toute violation des dispositions du bail par le locataire ou en raison de la nature des affaires du locataire dans les lieux loués, le locataire devra rembourser ce montant au locateur sans délai, majoré de quinze pour cent (15 %) pour tenir compte des frais d'administration, sur réception d'un état de compte. Ce montant devient dû à titre de loyer, sans préjudice aux droits du locateur d'exercer tous recours pour faire cesser l'événement qui engendre une telle augmentation des primes d'assurance

was both clear and coherent, and held the tenant responsible for the added costs incurred by the landlord.

Facts:

Pursuant to the lease, the tenant was responsible for any increase in the insurance premiums relating to the premises resulting from either a violation by the tenant or a change in the property's previous use as a bakery. The tenant was to operate a bar, and this was explicitly provided for under the lease. Due to the new use of the property, insurance premiums were raised and the landlord required those increased amounts to be reimbursed by the tenant. The trial judge held that the tenant was not responsible for the resulting increase as the use of the property was known and agreed upon by both parties. The landlord appealed the judgement.

Decision:

The Court of Appeal held that the clause in question was both clear and coherent. In the event that the insurance premiums would increase for either of the two circumstances stipulated, the tenant would shoulder the additional costs. The appeal was therefore granted.

- if the public sector lease is silent upon the public sector tenant taking out any form of insurance, then at the very least, a clause should be added to the lease, which would oblige any assignee or subtenant to take out appropriate insurance;

5.3 Salaries and Wages

- do the lease requirements match up with the landlord's policies?
- i.e. are there restrictions in the public tenant's form of lease that would cause the landlord to "eat" various costs?



- e.g. the federal government's standard form lease does not allow for a percentage-based management fee, over and above the 2% administrative fee

5.4 Structural Repairs and Replacements

- public sector lease will not allow landlord to charge back many costs normally found in a typical office lease;
- e.g. capital repairs and replacements, major improvements even in circumstances where they may reduce the cost of operating the building and improve energy efficiency and make the building more eco-friendly; e.g. repaving of the parking lot;
- the landlord may be required to set up its own reserve fund, as a result of the tenant's non-contribution, in order to take care of upcoming capital expenditures;

5.5 Repairs that Result from the Fault of the Tenant

- the generic federal lease provides that the Operating Costs include the amounts relating to insurance for which the landlord is obligated to take out, by virtue of the lease, and as a result of this, the tenant is considered to be an additional insured under the landlord's insurance; thus if the tenant causes damage that is paid for by the insurance, the insurer has no right to claim the amount paid from the tenant;

5.6 Real Estate Taxes

- when the public sector is the landlord, the issue of the real estate taxes that it is charged by the municipality in question, and thus would tend to charge back to its tenants, has been impacted by the recent Supreme Court of Canada decision in the case of *City of Montreal v. Montreal Port Authority* [2010] 1 S.C.R. 427. In this case, the Montreal Port Authority and the CBC, which are Crown corporations included in Schedule III of the Payments in Lieu of Taxes Act ("**PILT Act**"), had decided to make payments solely in respect of the City's property taxes, and refused to make any payments in respect of the new component of the real estate taxes that resulted from the abolition of the "occupancy" (i.e. business) tax. As the general rate for the "residual" category of property was substantially less than the tax rate for non-residential properties (1.9522% vs. 4.1722% in 2003), the amount that each of the Port and the CBC were prepared to pay the City under the PILT Act was substantially less than what the City was expecting, hence the proceedings. The Supreme Court held that despite the fact that the Port and the CBC had not, in the past, made any payments based upon the business tax, they were not permitted to disregard the tax rate generally applicable to owners of non-residential properties when calculating the payments that should be made. Accordingly, tenants in such properties would not benefit from any reductions not otherwise available to other landlords;
- in Quebec, the provisions of An Act Respecting Municipal Taxation, the Regulation Respecting Compensation in Lieu of Taxes, and the Municipal Taxation Act, provide that for all types of buildings other than those in the health and social; services, colleges, universities, primary and secondary schools (where the rate is less), the government pays all taxes that otherwise would be payable by the owner of such property if it were in fact taxable, and this includes property and business taxes;



- if tenant is in premises leased from the public sector entity, and if the lease has a “base year” for real estate taxes, with the tenant paying increases in real estate taxes over the base year, the following type of clause would be important to add:

Notwithstanding anything contained in this Lease, during the Term, in the event that any surtax, non-residential tax or supplementary real estate taxes on non-residential immovables component of real estate taxes (the “Surtax”) is replaced, in whole or in part, with a business tax or other similar tax payable directly by Tenant to the relevant governmental authority in relation to Tenant’s business conducted in the Premises (the “Business Tax”), then the amount of Additional Rent payable by the Tenant shall be reduced, on a dollar per dollar basis, by the amount of the Business Tax so payable by the Tenant directly as a Business Tax, and Tenant agrees to pay such Business Tax or other similar tax to the relevant governmental authority. The parties shall act reasonably, equitably and diligently in relation hereto.

- without such a clause, if the municipality in question does not have a business tax as of the base year, and decides to adopt one later and reduce the real estate tax accordingly, the tenant could be stuck paying for the business tax twice; once as a result of the amount it must pay to the landlord for real estate taxes, and secondly as a result of the amount it must pay the municipality.

5.7 Capital Tax

- supposed to be abolished by 2011;
- in the case of *GE Capital Realty Management Inc. v. Zellers Inc.* REJB [2001] 24174, the Court of Appeal held that such a tax could not be claimed from a tenant unless a clear and comprehensive text authorizing same existed in the lease, which was not the case. The Court stated that this tax was based on personal characteristics, such as the owner’s legal status, financial statements, the location of its registered office or principal place of business, etc., and that the method of calculation to determine the exact proportion of the portion of the tax on capital applicable to the subject property was required to be specified in the lease. Otherwise, the owner could claim it, as the lease was not complete; The wording of the Lease was as follows:

"6. NET NET LEASE

It is the intention of the parties that the Minimum Net Net Rental set out in Art. 4 of this lease shall be net net to the Landlord and that the Tenant shall pay for its own account, to the complete exoneration of the Landlord, all costs and expenses affecting the Property by the business carried on therein, and all Property taxes and costs other than that which is otherwise provided in this lease and other than any interest or amortization charges of Landlord in respect of mortgages, hypothecs, or other security and other than any capital gain or income tax due by Landlord.

7. PAYMENT OF TAXES, ASSESSMENTS, ETC.

Without limiting the generality of the foregoing paragraph 6, Tenant shall, throughout the Term and any renewal thereof, be responsible and pay to the complete exoneration of Landlord the following taxes, costs and expenses :



(b) All taxes, property taxes, municipal taxes, tax on capital, school taxes, ecclesiastical taxes, Montreal Urban Community taxes, rate including local improvement rates, duties and assessments that may be levied, rated charged or assessed against the Property and/or all equipment and facilities thereon or therein, and/or any property on or in the Property owned or brought thereon or therein by Landlord, and any and every of its assignees or subtenants and it and their respective officers, agents, employees, servants, visitors, or licensees and/or against Landlord or Tenant in respect thereof, whether such taxes, rates, duties or assessments are charged by a municipal, parliamentary, school, or any other body of competent jurisdiction.”

- the Court of Appeal held that the above language was not sufficiently clear, and thus denied the landlord’s claim.
- it should be noted, as well, that the added words “net net” were of no help to the landlord!

5.8 Schedules and Penalties

- a major bone of contention in public sector leases revolves around the schedules, and what is expected of the landlord;
- e.g. handicap access, washrooms, air flow criteria, etc.
- rent abatement in the case the landlord does not fulfil its obligations, which could create problems with the landlord’s lenders, cash flow, etc.
- the public sector’s own internal codes are much tougher than the legal requirements (e.g. union rules). which bring about added headaches to a landlord;
- managing the government’s requirements as a tenant in your building is a job in itself, however the standard form government lease will not allow the landlord to charge back these costs to the tenant!

