

Get to Know Your Lease!

By

George Vaill

One Wednesday, after making his way through the usual day off paperwork shuffle at the office, Dr. John was daydreaming about the long weekend ski trip he had planned. He was very pleased with himself for having finally arrived at a time when he could afford to do nice things with his family. He had worked his heart out for 10 years building his practice. He loved his facility, his staff and his patients. He felt that he had done everything right and, now that his business was humming along nicely, he was proud of what he had accomplished and confident in his future. Life was his oyster.

He was lost in his ski trip reverie when all of a sudden his train of thought was interrupted by the postman who walked in and announced that he had a certified letter for which John needed to sign. He had received certified letters before and didn't think much of it until he opened it. It was a letter from his landlord with shocking news that struck fear in his heart. He was informed that, as he had not given the landlord written notice of his election to renew his lease some months earlier as required under his lease, the landlord assumed that John was leaving. He had found a new tenant for his space and John would have to vacate his office at the end of the month. He was startled, confused, angry and terrified!

The rest of the story is not pleasant. John begged and pleaded with his landlord to let him stay. The landlord said *"It's too late. I've already signed a lease with a new tenant."* He then hired an attorney to fight for him – but to no avail. As it became evident that he was fighting a lost cause, John dragged his feet while he scrambled to find a new office space. After several frantic weeks of searching, he finally found a sad building a half hour away with no visibility, inadequate parking and a too-small space that needed total, very costly renovation. With no alternative in sight and desperate not to lose his patient base, John reluctantly signed a new lease for a space that he knew he would come to regret settling for. He ended up losing a great deal of momentum and a large number of patients because he had no place to work for nearly 4 months. He spent a major chunk of his retirement funds building out the space and the next 10 years trying to recover from this disastrous turn of events.

Could all of this have been prevented? Absolutely! If John had only paid better – **any** – attention to his lease, he would never have let his occupancy rights, his retirement funds and his dreams slip away.

So take a lesson from John and don't put your hard-earned business in jeopardy. Instead, take the following steps immediately to protect your assets:

1. Find your lease and any and all riders or amendments that may have changed it in the past.
2. Make a copy and put it in a file folder in your office. Put the master copy in your safe deposit box.
3. Take the time to read through the entire lease, familiarize yourself with your occupancy rights and obligations, and make notes of the critical dates, such as the dates by which you must give the landlord written notice if you wish to renew your lease, and the expiration date. If you don't understand what you've read, contact your lease advisor and get help interpreting those concepts you don't understand.
4. Finally, treat your lease with respect. This is a contract - an extremely important one at that - and it should NEVER be ignored nor should its terms ever be taken lightly.

If you fail to heed this warning, you, too, could find yourself in John's painfully uncomfortable shoes. Instead, be proactive and get to **KNOW YOUR LEASE!**

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