



# COMMERCIAL RENTAL APPLICATION & GUIDE

## **Included:**

Overview

Dos and Don'ts Checklist

Sample Commercial Rental Application

## 1. Overview

Successful property management begins with good documentation, and most landlords start leasing arrangements with rental applications. A rental application allows a landlord to organize and evaluate applicants for a piece of property, and to use the information provided to run credit and background checks on those individuals and companies. Collectively, this information can be used to select tenants who will pay rent promptly and care well for the property. A landlord can also shield itself from claims that it selected applicants for improper and discriminatory reasons.

As a landlord, you need a document both you and your prospective tenants can trust. Your tenant needs assurance that it will not be asked unnecessary or illegal questions, and will be considered fairly for the available rental. You must be sure the applicant will be a good tenant, willing and able to make rent payments and to treat your property with the same care you do. The enclosed document, together with a reliable real estate lease, reduces your liability risk and helps protect your investment. It also builds a strong foundation for the ongoing relationship between you and your tenant. You will both be able to proceed with confidence of your mutual respect and trust, and start the rental off on the right foot.

## 2. Dos & Don'ts Checklist

- ☐ Commercial leases and rental arrangements tend to be considerably more complicated than residential ones. They extend for many years, and many have formulas establishing rent as a percentage of commercial income (and not as a fixed rate). Since the amount of money involved can be quite substantial, the screening process is tremendously important in finding the right commercial tenant.
- ☐ Renting commercial properties may often be more difficult than renting residential ones. People always need somewhere to live, but businesses may come and go depending on market fluctuations. On the other hand, commercial leases are taken to be negotiated contracts between two parties on the same footing. This means that you and your tenant(s) can include or delete any provisions that suit your arrangement.
- ☐ A rental application is not a lease. You are not obligated to rent to a company simply because it has completed an application. Similarly, a potential tenant that has completed an application is not required to rent your property.
- ☐ You may never discriminate among your applicants (or their representatives) on the basis of race, color, national origin, ancestry, sex (gender), sexual orientation, age, marital status, religion, military/veteran status, disability, or receipt of public assistance or housing subsidy.
- ☐ You can request a deposit with the application if you want to assess the seriousness of prospective tenants about your property. However, this will also add more complication and confusion to the application process. Applicants may mistakenly believe that the deposit guarantees acceptance. It may be easier to accept applications without deposits, but it's good to consider this as an option if frivolous applicants become more common.

- ☐ After the application has been signed, it's a good idea to perform a thorough investigation of the company, its principals, and its guarantors (if any). Screening these individuals personally is particularly important if the business is relatively new. You want to make sure they can pay the lease if the company closes. Note the paragraph above which the signer(s) signs the application: the text indicates that on behalf of the company, he or she is consenting to a credit/criminal check and investigation. There are a number of online agencies that will conduct this search for a minimal fee. Be careful. Under federal law, you may not obtain a credit report on an applicant until you have their signed authorization. If you attempt to do this, you may face steep fines and possible imprisonment.
- ☐ Requiring all prospective tenants to complete a rental application can help insulate you from lawsuits alleging discrimination. If you are accused of rejecting someone's application based on race, religion, or another prohibited category, you will be able to show the applications that you received and have written documentation supporting your selection.
- ☐ All commercial rental applicants should receive information on the full range of vacant space or units available and be able to decide for themselves which units they want to see. Directing individuals or companies to a certain section of a building or floor based on race, color, religion, sex, or other protected categories is discriminatory and you may face lawsuits on this basis.
- ☐ Although you should feel free to customize the application to suit your needs, the information requested in the form may be helpful to you if you need to collect rent or seek late rent payments. As you are reviewing submitted applications, it's a good idea to consider this perspective. Will the prospective tenant have sufficient capital or property to make rent payments? Stable income? Too many liabilities? A little deliberation up front could save time and money down the road.

#### DISCLAIMER

LegalZoom is not a law firm. The information contained in the packet is general legal information and should not be construed as legal advice to be applied to any specific factual situation. The use of the materials in this packet does not create or constitute an attorney-client relationship between the user of this form and LegalZoom, its employees or any other person associated with LegalZoom. Because the law differs in each legal jurisdiction and may be interpreted or applied differently depending on your location or situation, you should not rely upon the materials provided in this packet without first consulting an attorney with respect to your specific situation.

The materials in this packet are provided "As-Is," without warranty or condition of any kind whatsoever. LegalZoom does not warrant the materials' quality, accuracy, timeliness, completeness, merchantability or fitness for use or purpose. To the maximum extent provided by law, LegalZoom, its agents and officers shall not be liable for any damages whatsoever (including compensatory, special, direct, incidental, indirect, consequential, punitive or any other damages) arising out of the use or the inability to use the materials provided in this packet.

## Form Sample

### COMMERCIAL RENTAL APPLICATION

FOR OFFICE USE ONLY	
Address	Apartment No.
Monthly Rent	Move-in Date

BUSINESS INFORMATION			
Business Legal Name		DBA (if different than legal name)	
Street Address (not a P.O. Box)	City/County	State	Zip Code
Street Address (if different than above)	City/County	State	Zip Code
**Gross Annual Sales:	Federal Tax ID No.:	Business Phone No. :	Current Landlord Name:
\$		( ) -	
Current No. of Employees:	Projected Future No. of Employees:	Current No. of Company Vehicles	Projected Future No. of Company Vehicles:
Date of Formation:	Current owner since:	Building is:	Ave
		<input type="checkbox"/> Owned, S:	