

What to Remember When Leasing to the Government

Whether you are new to commercial property management or have been at it awhile, you're sure to find useful information concerning leases, safety & security, marketing, and maintenance for commercial properties.

- Tax escalations after the first year are paid in a lump sum. However, claims must be submitted by the lessor within 60 days of the tax payment date. If the deadline is missed, the lessor forfeits the entire escalation.

- When the GSA wants to make alterations to space it leases, it sometimes asks lessors to sign a "waiver of restoration" saying that the GSA does not need to restore the space to the condition it was in before. Failure to sign this waiver, however, does not mean that the GSA will not make changes to its space, only that it might be possible to force the GSA to make everything the way it was. With government leases often running 10 - 20 years, accurate record keeping and a good corporate memory are vital.

- The Contract Disputes Act clause outlines the procedures to follow if owners have a disagreement with the government that they can't resolve in negotiations. The "final decision" of the government's contract officer is anything but - lessors can still appeal to the GSA's Board of Contract Appeals.

Source for more information: [Avoid traps in government leases](#), (*National Real Estate Investor*, Feb. 2005). 