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How to Write a Letter of Intent (LOI) for Leasing a Commercial Retail Space

Your Guide to a Strong LOI Submission

What is an LOI?

A **Letter of Intent (LOI)** is a non-binding document that outlines the key terms and conditions a prospective tenant proposes for leasing a commercial space. It serves as the foundation for lease negotiations and demonstrates a serious interest in the property.

Why is an LOI Important?

- Establishes the basic lease terms before drafting a formal lease agreement
- Helps landlords evaluate potential tenants
- Speeds up the negotiation process

How to Structure an LOI

Your LOI should be written in a **professional business letter format** and include the following:

1. Introduction

- Date of the letter
- Names and contact information of both the tenant (your business) and the landlord (property owner or leasing agent)
- Statement of intent (e.g., "This letter serves as my intent to lease [Property Name/Address].")

2. Key Lease Terms

- **Property Address & Unit Number:** Clearly state the location of the retail space.
- **Lease Term:** Specify the desired lease length (e.g., "5-year term with a 5-year renewal option").
- **Base Rent:** Proposed rental amount and payment frequency (monthly/annually).
- **Rent Escalations:** Any proposed increases over the term (e.g., "3%/5% annual increase").
- **Security Deposit:** Amount offered (typically 1–3 months' rent).
- **Use of Premises:** Type of business and intended operations.
- **Tenant Improvements (TI):** Any build-out or modifications requested.
- **Tenant and Landlord Responsibilities:** Clarify any requested pre and post-possession responsibilities. (e.g., (maintenance or repair of major components, cleaning, repairs, permits or build out items)
- **Operating Expenses:** Who will cover common area maintenance (CAM), Utilities, maintenance, etc.
- **Exclusivity Clause:** If requesting exclusivity (e.g., "No other coffee shops in the plaza").
- **Subleasing/Assignment Rights:** If the tenant wants the option to sublease.
- **Signage:** Any proposed business signage requirements.
- **Parking:** If applicable, how many parking spaces are required.

3. Contingencies & Closing

- Any conditions that must be met before lease signing (e.g., "Subject to landlord's approval of financials and business plan").
 - Requested date for lease execution and possession.
 - Signature of the tenant/applicant.
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Checklist: Information Required for Lease Consideration

Before submitting your LOI, ensure you provide the following information:

✓ Business Information:

- Business name, structure (LLC, Corp, Sole Proprietor)
- Industry and description of operations
- Years in business

✓ Financial Documents:

- Most recent **business financial statements**
- **Bank statements** (last 3–6 months)
- **Tax returns** (last 2 years)

✓ Legal & Background Information:

- Business **EIN number**
- State business registration documents
- Any past or pending legal issues (if applicable)

✓ **Proposed Lease Terms:**

- Preferred **lease term and renewal options**
- Expected **opening date**
- Proposed **modifications or tenant improvements**

✓ **References:**

- Landlord references (if applicable)
- Business or trade references

Ready to Submit?

Send your **LOI and supporting documents** to:

✉ info@lvlcommercial.com

📍 645 Mayport Rd. | Atlantic Beach, FL 32084

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We look forward to reviewing your application and welcoming you to our commercial space!