

REAL ESTATE



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Q | My landlord is selling the building in which I lease space, and the purchaser has requested that I sign a tenant estoppel. What is a tenant estoppel and am I required to sign it?

A | A tenant estoppel is a certificate signed by a tenant acknowledging the primary lease terms (e.g., expiration date, base rent, security deposit, prepaid rent, extension options) and confirming that there are no existing defaults under the lease and no offsets claimed by the tenant. The purpose of the certificate is to identify potential issues with the lease and to prohibit the tenant from alleging facts contrary to the certificate after the sale closes. Many commercial leases require the tenant to provide a tenant estoppel at the landlord's request. Failure to provide the estoppel may trigger a default under the lease or entitle the landlord to prepare the estoppel on the tenant's behalf.