



LARRY SHOSID IN ABA ARTICLE OFFERS FIVE LANDLORD/TENANT LESSONS LEARNED FROM PAST RECESSIONS

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Partner Larry L. Shosid authored the American Bar Association (ABA) article titled, “Five Lessons Learned by Landlords and Tenants from Past Recessions.” The piece urges developers, brokers, landlords and tenants to take the opportunity while the economy and real estate market are doing well to prepare for an inevitable downturn. While noting that the current real estate cycle appears to be more recession-proof than in past times – thanks to stringent lending requirements, larger equity requirements and lessons learned from prior downturns – Shosid cautions, “A downturn could be triggered by adjustments in the stock market, interest rate increases, trade wars, foreign aggression, terrorism, and so on. It is impossible to predict or see it coming until it’s too late.”

Shosid calls attention to five areas of a lease where adequate, forward-looking protections are needed when prepping for a downturn: 1) security deposits and prepaid rents; 2) personal and corporate guarantees; 3) real estate taxes; 4) operating expenses, self-help and SNDAs; and 5) assignments.

Shosid offers that by proactively reviewing and strengthening leases before market conditions shift, both landlord and tenants can be better prepared for a downturn and help mitigate tough times.

Full text of the article, published by the ABA's Section of Litigation; Real Estate, Condemnation, and Trust Litigation Committee, can be viewed by clicking [here](#).

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