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REMOVAL AND RESTORATION OBLIGATIONS

Careful consideration is owed to how a tenant's removal and restoration obligations are expressed under a lease. The scope of each parties' goals (and ultimately, their obligations) are a product of the tenancy at hand. While boilerplate obligations might be a good starting point, adjustment may be required to account for unique circumstances and to curb potentially unintended or undesirable outcomes.

Removal

Terminology

- i. **Chattels:** items not attached to the premises by any means other than their own weight.
- ii. **Leasehold Improvements:** items constructed on and attached to the real property that are intended to become a part of it.
- iii. **Trade Fixtures:** items which can be severed and are for the purpose of the tenant's business.

Items left behind may become the property of the landlord and may be stored/disposed of as the landlord sees fit.

Restoration

- i. Analyze lease for relevant standard (e.g., "base building condition" vs. "broom swept condition").
- ii. Typical requirement for the tenant to repair any damage caused by the installation or removal of items it must remove.

Special Considerations

- i. Absent an intention to the contrary, leasehold improvements become property of the landlord without any requirement for the tenant to remove them.
- ii. If the tenant is installing "non-standard" leasehold improvements (e.g., raised flooring, vaults, server rooms), consider specifying that the tenant must remove them (if the tenant is not otherwise required to remove leasehold improvements).
- iii. Careful consideration when using the terms "reasonable wear and tear" – it may lead to unexpected consequences.

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