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Retail Tenant Disputes: When Commercial Landlords Should Negotiate—and When It's Time to Call Counsel

Stephen Lasser · Thursday, August 6th, 2026

For commercial landlords and property management companies, a strong retail tenant is more than a source of rental income. They're a long-term business partner. But even successful tenant relationships can run into trouble. A missed rent payment, an unexpected dispute over operating expenses, complaints about odor or noise, or unauthorized use of a leased space can quickly escalate if not addressed promptly.

The good news is that many of these disputes don't have to end in litigation. In fact, addressing issues before they reach the courtroom is often the best outcome for everyone involved.

The most common retail tenant disputes

While every property is different, several issues arise again and again in commercial landlord-retail tenant relationships.

Payment disputes go beyond base rent

Many landlords assume that rent is the primary source of conflict. In reality, disputes are frequently about **additional** charges, which may include real estate taxes, common area maintenance, utilities, insurance, or repairs.

Even when these costs are clearly addressed in the lease, tenants may challenge how they're calculated or whether they're owed at all.

Odor and noise complaints

Odor and noise are frequent sources of conflict, particularly in mixed-use buildings with restaurants, food services, bars, fitness centers, and entertainment venues.

One matter handled by Lasser Law Group involved a Michelin-starred restaurant whose traditional clay oven produced exceptional food, but also excessive cooking odors. Rather than immediately resort to litigation, we retained an industrial engineer to measure the emissions, objectively proving that they exceeded permissible levels. The evidence led to a practical solution: the tenant installed a new ventilation system and modified its cooking operations, allowing the business to continue serving its acclaimed food while resolving the landlord's and residential tenants' concerns.

Noise disputes can often be worked through in much the same way: with objective documentation, expert analysis, and negotiation.

Condominium retail spaces have their own unique governance when it comes to payment disputes, unauthorized use, odor, and noise. We explore these in this [blog post](#).

Unauthorized use of leased space

Unauthorized use exposes landlords to significant legal and operational issues. For example, in and around New York City, commercial landlords have faced situations where retail tenants began operating businesses outside the permitted use in the lease, including illegal cannabis sales. Government agencies have increased enforcement against unlicensed cannabis retailers, including the authority to seal businesses operating unlawfully under certain circumstances. Addressing unauthorized use situations proactively is generally easier and less costly than waiting until enforcement or litigation becomes involved.

Why every provision in a retail lease matters

Commercial leases differ significantly from residential leases. In New York, for example, commercial landlords and tenants generally have much greater freedom to negotiate lease terms, making the written agreement the primary source of each party's rights and obligations, not tenant protection laws.

And unlike residential tenants, commercial tenants do not benefit from protections, such as **New York's statutory warranty of habitability**, which guarantees every residential tenant has the right to a safe, livable, and clean home. Instead, retail tenant issues such as flooding or structural problems may rise to the level of **constructive eviction**, allowing the business to seek a rent abatement if part or all of the leased premises becomes unusable. This makes carefully drafted leases and experienced legal guidance even more important.

That's why every provision—from rent escalation clauses to repair obligations, permitted use, and tenant improvement allowances—deserves careful attention before the lease is signed.

Resolve problems before they become lawsuits

Many commercial landlords think that bringing in legal counsel means going to trial is inevitable. We believe that both landlords and tenants typically have a strong incentive to preserve a long-term relationship.

Litigation is expensive, time-consuming, and can be unpredictable. And in today's market, it can also leave landlords with vacant retail space at a time when finding qualified tenants is increasingly challenging. The modern retail landscape has shifted toward service-based and destination businesses that often require substantial investment before opening.

For that reason, landlords should first attempt to resolve disputes directly. If conversations stall, legal counsel can help de-escalate the conflict. An attorney brings an objective perspective, clarifies each party's contractual rights, and can often identify practical solutions that neither side considered.

Don't overlook personal guarantees

A personal guarantee can be one of a landlord's most valuable protections, but only if the guarantor has the financial resources to stand behind it.

Before signing a lease, landlords should perform due diligence on the proposed guarantor, including reviewing financial information and confirming that sufficient assets exist to support the guarantee. A guarantee from an individual without meaningful financial resources provides little protection if the tenant later defaults.

When should you involve a commercial landlord tenant attorney?

If a dispute has lingered for several weeks, communications have become strained, or both sides have become entrenched, bringing in an experienced **commercial landlord tenant attorney** can:

- Evaluate the landlord's rights under the lease
- Separate legal issues from emotional ones
- Facilitate productive negotiations
- Develop creative solutions that preserve valuable tenant relationships
- Help avoid the significant cost and uncertainty of going to trial

As a boutique law firm serving **New York City, Westchester County, and surrounding areas**, **Lasser Law Group** works closely with commercial landlords and property management companies to evaluate retail tenant issues early, negotiate practical solutions, protect long-term interests, and, should litigation become necessary, be your court representative.

If you're facing a payment dispute, odor or noise complaint, unauthorized use issue, or another lease-related challenge, **Lasser Law Group** can help. Contact our team to start the conversation.

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