

Real Estate Leasing: Nevada

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A Q&A guide to commercial real estate leasing law for landlords and tenants in Nevada. This Q&A addresses state laws and customs that impact commercial leasing, including the execution and enforceability of leases, disclosures, transfer taxes, rents and security deposits, permitted assignments, financings, remedies, and automatic terminations in foreclosure actions. Federal, local, or municipal law may impose additional or different requirements. Answers to questions can be compared across a number of jurisdictions (see Real Estate Leasing: State Q&A Tool).

Execution and Enforceability

1. Describe any formal requirements for the execution of a lease. In particular specify if:

- Witnesses are required.
- Acknowledgments are necessary.
- Counterpart signatures are enforceable.
- There are any other important requirements in your state.

For information on whether Nevada has adopted electronic signatures, electronic recording, or remote online notarization, see Question 20.

Witnesses

Witnesses are not required to execute a lease in Nevada.

Acknowledgments

Acknowledgments are not required to execute a lease unless the document is to be recorded.

Counterpart Signatures

In Nevada, a lease that is to be signed in counterparts should include a provision expressly permitting counterpart signatures.

Other Requirements

A lease for a term of one year or more must be in writing (NRS 111.205). There are no other formal requirements for executing a lease in Nevada.

2. Must a memorandum of lease (or any other instrument) be recorded for a lease to be enforceable against third parties? If so, must an amendment to a recorded memorandum of lease be recorded if there is a further (material or non-material) amendment to the lease?

A Nevada lease is enforceable against a third party (for example, a subsequent lender) if:

- The lease or memorandum is recorded.
- The third party has actual notice of the lease.
- The third party has inquiry notice; for example, if the existence of a lease is visible from an inspection of the property.

On an amendment to the lease agreement, it is generally not necessary to record an amendment to the recorded memorandum of lease unless the amendment to the lease agreement includes a provision the parties would normally have included in the original recorded memorandum of lease (for example, tenant's option to purchase the premises or extend the lease, or a new termination date).

3. Provide the statutory form of acknowledgment for:

- An individual.
- A corporation.
- A limited liability company.
- A limited partnership.
- A trustee.

Nevada statutory law provides model short form acknowledgment certificates (NRS 240.166 and 240.1665). The examples below are:

- Based on the statutory short forms.
- Sufficient for use assuming the acknowledgment meets all other requirements (NRS 240.1655).

Nevada has adopted remote online notarization (RON) (NRS 240.181 to 240.206; Nev. Admin. Code §§ 240.600 to 240.735; Question 20: Remote Online Notarization). There may be specific requirements for acknowledgments certified using RON. For more information, see [Electronic Signatures, Recording, and Notarization Laws for Real Estate Transactions: State Comparison Chart: Nevada](#).

Individual

State of Nevada

County of [County]

This instrument was acknowledged before me on [DATE] by [NAMES(S) OF PERSON(S)].

[SEAL, IF ANY] _____
 (Signature of notarial officer)

 (Title and rank (optional))

Representative Capacity (Corporation, Limited Liability Company, Limited Partnership, or Trust)

State of Nevada

County of [County]

This instrument was acknowledged before me on [DATE] by [SIGNATORY NAME(S)] as [TYPE OF

AUTHORITY (such as officer(s) or trustee)] of [ENTITY NAME (party on whose behalf record executed)].

[SEAL, IF ANY] _____
 (Signature of notarial officer)

 (Title and rank (optional))

Disclosures, Certifications, and Implied Uses

4. Are there any statutory or legal disclosures required by the landlord or the tenant either at the beginning or end of the lease term? Are there any compliance certificates the tenant may request from the landlord?

Nevada law does not require disclosures or compliance certificates for commercial leases from the landlord or tenant.

5. Is a lease deemed to include an implied warranty of fitness for intended use?

Nevada law does not address whether a commercial lease includes an implied warranty of fitness for intended use.

Term, Renewal, and Early Termination

6. Are there any legal restrictions which:

- Limit the maximum term of a lease (including any renewals)?
- Require the landlord to allow the tenant to renew its lease?
- Allow the tenant to terminate its lease before the express expiration date?

Limit on Maximum Term

A lease for a term of one year or more in Nevada must be in writing (NRS 111.210). No lease can exceed a term of 99 years (NRS 111.200).

Tenant Renewal

A landlord is not required to allow a tenant to renew its lease unless the lease specifies a right to renew or extend the lease.

Early Termination

Generally, a Nevada commercial tenant cannot terminate the lease before the expiration date provided in the lease, unless the lease specifies otherwise. However, when a constructive eviction occurs the tenant may treat the landlord's interference as an eviction and vacate the premises within a reasonable time (*Yee v. Weiss*, 877 P.2d 510 (Nev. 1994)).

7. Is the landlord required to provide the tenant with a notice before the effective date of a renewal when the lease term automatically renews?

A landlord in Nevada is not required to provide the tenant with a notice before the effective date of an automatic renewal unless the lease specifies otherwise.

Rent and Security Deposits

8. Are there any legal restrictions on:

- How much rent the landlord may charge?
- Whether certain operating expenses (or other additional rent) may be passed through to the tenant?

Maximum Rent

Nevada does not impose legal restrictions on the amount of rent that a landlord can charge for leasing commercial real estate.

Operating Expenses

There are no restrictions on a landlord's ability to pass through operating expenses to its tenants, if specified in the lease.

9. For security deposits:

- Must the landlord maintain security deposits in a separate bank account for each tenant?
- Must a security deposit be in an interest bearing account?
- Must the landlord pay all interest earned to the tenant or can the landlord retain a percentage of the interest earned as an administrative fee?

Comingling Permitted

Nevada law does not require that a commercial landlord maintain a security deposit in a separate bank account.

Interest Bearing Account

Nevada law does not require that commercial landlords hold tenant security deposits in interest bearing accounts.

Administrative Fees

Unless the lease specifies otherwise, commercial landlords can retain the interest earned on a security deposit.

For more information about security deposit requirements across jurisdictions, see [Security Deposit Laws \(Commercial Lease\): State Comparison Chart](#) and Quick Compare Chart: Commercial Security Deposit Laws.

Transfer Taxes and Other Taxes

10. Are any state or local transfer taxes triggered when a lease is signed or in the later assignment of a lease? If so, please specify the:

- Rate for the tax and how is it calculated.
- Returns required.
- Timing for filing the returns and paying the taxes.

Nevada has no transfer tax on commercial lease transactions, since the tax is imposed on the

recording of a “deed” and “a lease for any term of years” is excluded from the definition of deed (NRS 375.020(1) and 375.010(1)(b)(1); Nev. Admin. Code § 375.170(8)).

Confirm any local transfer tax requirements with a title company or by contacting the applicable taxing authority or recording office.

For more information about transfer taxes across jurisdictions, see [State Transfer Tax Comparison Chart](#) and Quick Compare Chart: State Transfer Taxes.

11. Are state or local transfer taxes triggered when the tenant undergoes a (direct or indirect) transfer of its ownership interests? In particular, please specify the:

- Percentage of ownership interest that triggers the taxes.
- Rate for the taxes and how they are calculated.
- Returns required.
- Timing for filing the returns and paying the taxes.

There is no transfer tax in Nevada on direct or indirect transfers.

Confirm any local transfer tax requirements with a title company or by contacting the applicable taxing authority or recording office.

For more information about transfer taxes across jurisdictions, see [State Transfer Tax Comparison Chart](#) and Quick Compare Chart: State Transfer Taxes.

12. Describe any state or local taxes (rental or other) that the landlord must collect from the tenant.

Landlords in Nevada are not required to collect taxes on rents, or any other taxes, from tenants. Leases commonly provide for a pass-through of taxes as an operating expense.

Tax assessment, payment, and collection practices vary by jurisdiction. Consult with local counsel or a title company (or contact the applicable taxing authority directly) to verify these details.

Assignment, Financing, and Transfers

13. Describe any laws allowing the tenant to assign its lease, or sublease its premises, without the landlord’s consent. Is a reasonableness standard implied when the lease is silent on whether the landlord’s consent to an assignment or sublease may be reasonably or unreasonably withheld?

Nevada law does not specify whether a tenant may assign a lease or sublease the premises if the lease does not provide any restrictions to the contrary. The Nevada Supreme Court summarized the basic law concerning assignments as follows: “Under ordinary rules of contract law, a contractual right is assignable unless assignment materially changes the terms of the contract or the contract expressly precludes assignment.” (*Easton Bus. Opportunities, Inc. v. Town Executive Suites–Eastern Marketplace, LLC*, 230 P.3d 827, 830 (Nev. 2010)).

If the lease is silent on the standards for a landlord’s consent, the consent is subject to the implied covenant of good faith and fair dealing, unless the lease provides a different standard (see *A.C. Shaw Constr., Inc. v. Washoe Cnty.*, 784 P.2d 9, 10 (Nev. 1989) (noting that in Nevada the covenant of good faith and fair dealing is implied into every commercial contract)).

14. If the lease does not expressly define the term “assignment” and there is no other express restriction in the lease to the contrary can the:

- Tenant’s corporate ownership interests be freely transferred without the landlord’s consent?
- Tenant freely place a lien on its leasehold interest, or pledge its corporate ownership interests, in connection with a financing without the landlord’s consent?

Transfer of Ownership Interests

In Nevada, if there is no restriction in a commercial lease stating that a transfer of ownership interest will be treated as an assignment, the tenant’s ownership

interests can be freely transferred without the landlord's consent.

Security Lien or Pledge of Ownership Interests

If the lease does not specify otherwise, a tenant can place a lien on its leasehold interest or pledge its ownership interests without the landlord's consent.

15. When a lease requires a landlord's consent for an assignment and defines the term "assignment" to include a transfer of the tenant's corporate ownership interests, would an indirect transfer of the tenant's interests trigger the landlord's consent requirement?

Nevada law does not address whether an indirect transfer of the tenant's interests triggers the landlord's consent requirements. Nevada has no customary practice that dictates whether a landlord's consent is required for an indirect transfer of the tenant's corporate ownership interest.

16. Is the tenant/assignor deemed released from future liability under the lease when the lease is silent on whether the original tenant will be released in the event of an assignment?

The tenant or assignor will not be released from future liability under a Nevada lease, unless it obtains a release from the landlord or the lease specifies release (see *Noah v. Metzker*, 450 P.2d 141, 143-44 (Nev. 1969)).

17. Describe any restrictions on the landlord's ability to transfer the real property subject to the lease. Does this transfer affect the tenant's rights or obligations?

In Nevada, there are no restrictions on the landlord's ability to transfer the real property, unless the lease provides otherwise. A transfer does not affect the tenant's rights or obligations.

Remedies

18. If a tenant breaches the lease:

- Are there any implied remedies available to the landlord, such as the acceleration of rent?
- Is there a limitation on the landlord's ability to exercise self-help?
- Is there a common form of an eviction proceeding and, if so, what is the typical length of time for the proceeding?
- Are there specific mechanisms for expedited remedies, such as waiver of jury trial or arbitration?
- Is the landlord required to mitigate its damages without an express obligation to do so?

Implied Remedies

While Nevada courts look to the language of the lease, Nevada follows the common law. Accordingly, unless the lease provides otherwise, remedies available at common law should be available in Nevada.

Self-Help

In Nevada, lease provisions that grant landlords self-help remedies supersede certain statutory protections for the tenant (NRS 118C.200).

If a Nevada landlord uses self-help to evict, absent express lease provisions giving the landlord this right, the tenant can:

- Recover possession of the commercial premises.
- Terminate the lease.
- Recover damages, attorney's fees, and court costs, less any delinquent rent or other sums the tenant owes.

(NRS 118C.200(5).)

Eviction Proceeding

NRS 40.215 to 40.425 set out the procedures for eviction proceedings, which are known as unlawful detainer actions.

Expedited Remedies

Summary expedited proceedings are available in cases where the tenant defaults on rent. Generally, the landlord must serve a notice before the close of business, which usually is a five-day notice, to the tenant to pay rent or quit the premises (NRS 40.2542(1)(a)).

Mitigation of Damages

As a general rule, Nevada courts recognize the obligation of a party to a commercial contract to mitigate its damages in the event of a breach by the other party (see *Sheehan & Sheehan v. Nelson Malley and Co.*, 117 P.3d 219, 226 (Nev. 2005)). In the event that the tenant abandons the premises, the landlord has a statutory duty to mitigate damages (NRS 118:175).

For more information about mitigation of damages across jurisdictions, see [Commercial Landlord's Duty to Mitigate: State Comparison Chart](#) and [Quick Compare Chart: Commercial Landlord's Duty to Mitigate](#).

Automatic Termination of a Lease in a Foreclosure Action

19. When a landlord's lender forecloses on its lien recorded against the landlord's property, would the lease interest that is subordinated to the lender's lien automatically terminate? If so, how do the parties avoid automatic termination of subordinated lease interests?

While not completely settled in Nevada, absent an agreement stating otherwise, generally non-judicial foreclosure extinguishes all interests in the real property that are junior to the security instrument, such as a lease entered into after the recordation of the security instrument (see, for example, *SFR Invs. Pool 1, LLC v. U.S. Bank, N.A.*, 334 P.3d 408, 412 (Nev. 2014) (superseded by statute on other grounds)).

In the case of a judicial foreclosure of a mortgage or deed of trust where the tenant is not named in the foreclosure action, there is no controlling Nevada

case law on the issue, if the tenant is not named in the foreclosure action, whether by intention or omission, the tenant's interest in the property would likely survive the foreclosure (see Restatement (Third) of Property (Mortgages) § 7.1, Cmt. b).

If the lender or the tenant wants to ensure that the lease continues after foreclosure, the lender or tenant can request a subordination, nondisturbance, and attornment agreement (SNDA).

Electronic Signatures, Recording, and Notarization Laws

20. Has your state adopted laws permitting electronic signatures, electronic recording, and remote notarization? In particular, include information on whether:

- The Uniform Electronic Transactions Act (UETA) or another law giving electronic signatures legal effect has been adopted.
- The Uniform Real Property Electronic Recording Act (URPERA) or another law permitting the recording of electronic signatures has been adopted.
- The Revised Uniform Law on Notarial Acts (RULONA) or another law permitting remote online notarization (RON) has been permanently adopted and/or temporary remote online notarization is permitted on an emergency basis due to the coronavirus pandemic.

Despite Nevada's adoption of the applicable electronic laws referred to below, the transaction parties or recording offices may not be required to accept documents executed or notarized electronically. Before relying on any of the below electronic laws for a particular transaction, Nevada counsel should confirm (as applicable) that:

- All parties to the transaction agree to accept electronic signatures, remotely notarized documents, or both, and intend to be bound by them.
- The applicable recording office accepts electronic signatures and remotely notarized documents for recording.

Electronic Signatures

Nevada has adopted the UETA (NRS 719.010 to 719.360).

Electronic Recording

Nevada has adopted the URPERA (NRS 111.366 to 111.3697).

Remote Online Notarization

Nevada has adopted RON with its Electronic Notarization Enabling Act (NRS 240.181 to 240.206; Nev. Admin. Code §§ 240.600 to 240.735).

There may be specific requirements for performing RON. Reference should be made to the statute,

any applicable emergency orders, and any rules promulgated by the secretary of state or other state authority to understand all RON requirements and conditions.

For a state-by-state chart covering key provisions of RON laws, emergency orders permitting RON, and pending electronic recording and RON laws, see [Electronic Signatures, Recording, and Notarization Laws for Real Estate Transactions: State Comparison Chart](#). To view and customize comparison charts on electronic signatures, recording, and notarization laws across states, see [Quick Compare Chart: State Laws on Electronic Signatures, Electronic Recording, and Remote Notarization](#).

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