

How landlords screw dentists

Being a dentist is tough. You're on your feet all day, navigating root canals, finding and keeping qualified staff, and sometimes trying not to embarrass those patients that proudly proclaim that yes, they floss... twice... daily.

But you know what's tougher? Dealing with landlords who see your thriving dental office, not as a beacon of oral health, but as a golden goose they can slowly roast over a legal fire!

Welcome to the real dental horror story: commercial leases. And no, nitrous oxide won't help you here. Let's dig into how landlord can take advantage of dentists—and how you can stay flossed and fierce.

The renewal clause that bites back

Picture this: You're running a profitable practice in a perfect plaza. Your lease is up, but there's a renewal clause. Great, right? Not necessarily.

Enter the Trojan Horse of the dental lease world: the clause that says you can renew "on the landlord's then-current standard form lease." Sounds innocent. It is not. This was the horror show in *1251614 Ontario Ltd. v. Gurudutt Inc. o/a Quiznos Sub.*, 2015 ONSC 2141.

Here's the bite-sized summary:

Quiznos was leasing space in Waterloo. The lease was up in 2013. They thought they had two (2) safe renewals of five (5) years each. Their lease stated that any such renewal was to be on the same terms and conditions as are contained in the lease except "the form of renewal Lease shall be, at the landlord's option, a lease extension agreement or a new lease in the landlord's then current standard form."

When Quiznos went to renew in 2012, the landlord presented its "then current standard form" (which half of its other tenants at that location had already signed), which contained a dreaded demolition clause! That clause allowed the landlord to terminate the lease and kick Quiznos out on 6 months' notice if they wanted to redevelop.

Quiznos argued that a demo clause would decimate the value of its business if it tried to sell; the landlord said not having one would have the same impact on the value of its property.

The Ontario Superior Court of Justice looked at

the clear wording of the renewal clause and ruled against Quiznos since it accepted the language. The judge left it up to Quiznos to sign the renewal with the demo clause included.

FYI: Quiznos isn't at that Waterloo location anymore (Mucho Burrito is).

Dental lesson: Never agree outright to a lease renewal clause that refers vaguely to a "standard lease form" or "then-current terms." Remove or modify that clause so it's not a blank cheque your landlord can eventually cash by adding a demo or relocation clause.

The estoppel certificate trap: Sign here to lose your rights

Dentists love paperwork. Charts. X-rays. Invoices. But there's one piece of paper that can kill your rights faster than dry socket: the Estoppel Certificate.

An estoppel certificate is a statement, often requested by landlords when selling the building, where you, the tenant, confirm the key facts about your lease. Sounds fine, right?

Here's the terrible twist: if you say something wrong, or leave something out, or fail to mention an unresolved dispute, you could legally be stuck with that version of the truth. Even if it's not true.

Take the chilling case of *1960529 Ontario Inc. v. 2077570 Ontario Inc.*, 2017 ONSC 5254. The tenant, Tilt Arcade Bar, had a right of first refusal to buy the building (per their lease). That's a legal golden ticket, right?! Not in this case...

The landlord never gave them the chance to buy the building. The landlord was in the process of selling the building to a boutique hotel developer in 2017 and, just a few days before the deal closed, the landlord asked the tenant to sign an estoppel certificate for the buyer's bank. And the tenant did exactly that without issue.

A few days later, the new owner notified the tenant that they were going to demo and required vacant possession of their premises within the next year!

The tenant sued, but the Ontario Superior Court of Justice found that the tenant had signed an estoppel certificate saying there were "no defaults" under the lease. That small phrase was used to argue the tenant gave up its right to buy.



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And just like that, the tenant lost the building and had to vacate.

FYI: the location now boasts “The Annex”, a 3-star 24-room hotel. Meanwhile, Tilt Arcade Bar moved 4.7 km away.

Dental lesson: Never sign an estoppel certificate without reading every word and understanding every consequence. Better yet—let your lease-savvy lawyer handle it. That one-page document can override your lease rights and bury your legal remedies six feet under.

Consent shenanigans: When “yes” costs you everything

Landlords love power. And when a tenant needs consent—to assign the lease to a buyer, for example—some landlords see an opportunity to extract something... more. Sometimes, they have no right to demand changes. And yet, they still do. Why? Because most tenants just comply. But you need to know where you stand legally.

Unless a tenant is asking for new terms (like additional renewals) or the lease actually permits it, a landlord cannot demand significant and one-sided clauses to be agreed to as part of their consenting to transfer the lease to a buyer. Remember: buyers typically need between 10 to 12 years of no demo and relocation in order to get bank financing (so those clauses can kill deals or significantly reduce the purchase price).

Ontario Courts have found that, absent the lease saying otherwise, landlords cannot withhold their consent by insisting on new terms (like demolition or relocation clauses, new personal indemnities or guarantees) that go beyond what’s objectively reasonable.

In the case of *Rabin v. 2490918 Ontario Inc.*, 2023 ONCA 49, the selling dentist sought the landlord’s consent to transfer the lease to a buyer. The landlord had a 15-day deadline per the lease to request information about the incoming dentist tenant and either grant or refuse to grant consent. But instead, the landlord sought to add a demo clause and, when it was rebuffed by the tenant, refused to grant consent.

The Ontario Court of Appeal wrote:

“While each case turns on its own facts, it is significant that a landlord’s attempts to obtain an amendment to the lease for its own benefit in exchange for providing consent has consistently been characterized as an unreasonable withholding of consent.” See, for example: *Jo-Emma Restaurants Ltd. v. A. Merkur and Sons Ltd.* (1989), 7 R.P.R. (2d) 298 (Ont. S.C.); *Tradedge Inc. (Shoeless Joe’s) v. Tri-Novo Group Inc.*, 84 R.P.R. (4th) 84 (Ont. S.C.), at para. 39, aff’d 2009 ONCA 855; *Quickie Convenience Stores*

Corp. v. Parkland Fuel Corporation, 2020 ONCA 453, 151 O.R. (3d) 778, at paras. 43, 44

The respondent was not entitled to require a demolition clause as a precondition to giving consent. It would have amounted to a material amendment to the lease and would have seriously threatened the appellant’s ability to conclude the transaction with the new dentists. A conditional consent is not a consent. In this case, it amounted to an unreasonable withholding of consent.

The Court sided with the dentist and found that the landlord had unreasonably withheld its consent contrary to the lease and the *Ontario Commercial Tenancies Act* R.S.O. 1990, c. L.7. And the Court order was the equivalent of the landlord giving consent “within the meaning of the parties’ lease.”

FYI: notwithstanding the big court win for the dentist, the building is now being developed into a 6 story, 68 unit condo (source: <https://condonow.com/2630-Kipling-Avenue-Condos>).

Dental lesson: If your lease says the landlord “shall not unreasonably withhold consent,” then guess what? That means they generally (unless the lease says so or the tenant asks for their own amendments) can’t ask for unreasonable amendments in return. If they do, call them out. Or better yet—call your lawyer.

Real talk: Why landlords target dentists

Here’s the truth: landlords love dentists. Not because of your kind smiles or punctual rent payments. But because you invest heavily in the space (plumbing, cabinetry, x-ray rooms = \$\$\$). You rarely move—patients follow locations, not names necessarily. You’re successful. You’re too busy to read the fine print. Landlords know this. That’s why they and their lawyers sneak in traps like nasty demolition or relocation clauses and tricky renewal and assignment clauses. And now that you’re aware, you’re better off already to defend yourself should it happen to you.

Make sure you speak with your dental lawyer during all important phases of your lease—from starting up, to renewing, to being asked to sign an estoppel certificate, to asking your landlord to consent to your transfer of the lease to a buyer. Know your rights. Fight for fair terms. And most importantly: get professional help.

Keep drilling. Keep smiling. But don’t let your landlord pull your legal teeth without anesthetic. ✨

