

What? The BOMA Standard is ‘Complicated’? Say it ain’t so!

By William B. Tracy, MBA, NCARB

I am shocked! I hear that many in the real estate industry deem square footage measurement to be complicated!

Most would agree that the Building Owners and Managers Association Standard is not widely understood. We see evidence of this in disputes between landlords and tenants, by the reluctance of brokers to bring up rentable area measurement methods in fear it will cool a deal, and by the refusal of many attorneys to cite the BOMA Standard in a lease agreement.

It is not so much that the BOMA Standard itself is complicated; it is that the designs of buildings vary so widely. Architects treat each site and client as a unique design problem. Applying any measurement standard to a diverse population of buildings requires extrapolation of the BOMA Standard’s logic, and to do that, one must study and understand the BOMA Standard.

I have taught the BOMA Standard to many real estate and design professionals. The class is short – only 3½ hours long. When a diverse group of students systematically applies the BOMA Standard to the same simple building they invariably arrive at identical figures – usable areas, rentable areas and so on. This demonstrates that the BOMA seven-step method and definitions, such as the dominant portion, are clear, logical and easy to grasp.

The BOMA Standard is a compromise between one that is as simple as possible to grasp and one that explicitly addresses all possible measurement conditions. Its language has been carefully crafted in anticipation that users will need to extend its logic to measure conditions that vary tremendously. It demands careful study, and therein is the problem. Most folks assume that area calculations are banal, requiring only someone who can read a measuring tape. They don’t take the time to really learn the BOMA Standard. They wring their hands and tear their hair about too much complexity when the real problem is their own lack of understanding of the BOMA Standard.

Square footage is too important in the real estate industry to be left to amateurs. It underlies the valuation of real assets and is integral to the management of all commercial buildings. Design professionals possess not only the understanding of buildings but also the best tools (like CAD) for determining and documenting usable and rentable areas. However, many design professionals lack 1) an appreciation for the role of square footage in commercial real estate, 2) a desire to engage in services that are anything like square footage accounting, and 3) true understanding of the BOMA Standard. All three of these are necessary for a design professional to be considered expert in determining rentable areas.

Property managers have the biggest stake in square footage issues. They should know the BOMA Standard inside and out and be able to correctly classify all floor areas in an office building. They should also be able to locate the boundary lines of each space category (face or centerline of wall) and understand the workings of the Global summary of Areas spreadsheet in the BOMA Standard. With this knowledge, they can judge the correctness of any measurement work whether they do it themselves or have it done by a consultant.

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Design professionals have traditionally avoided or disclaimed responsibility for any rentable area measurements they do, and this is a missed opportunity. I has experience providing “square footage accounting” services for a large design firm and has shown its potential for providing a much needed service and earning good fees with no liability. However, it is not a casual endeavor and requires a commitment to training, documentation, office systems and quality control.

Complexity will never be entirely eliminated from square footage measurement issues, but knowledgeable application of published standards like the BOMA Standard can greatly simplify those issues and reduce the frustration and uncertainty currently experienced by many in the real estate industry.

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