

Area Calculations: Documentation and Communication are Critical Today

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Technology has made some aspects of area calculations trivial. In most buildings it takes little expertise to take accurate field dimensions with lasers and compute accurate square footage with CAD.

The real issues with space measurement are the classification of space as “measured” or “not measured”, “usable” or “common” and the like. Compiling the figures in a manner that is fair and in conformance with the lease agreement can also be a challenge. If done incorrectly or not communicated to the tenant, significant liability for the landlord can result.

Adoption of the 1996 BOMA Standard has the effect of increasing rentable areas in office buildings. This in turn has increased Rentable/Usable ratios, often to levels above those that tenants are used to seeing in a particular market. This has put pressure on landlords to “find” additional usable area to limit the increase in the R/U ratios and resulted in some transgressions of the BOMA Standard.

The most common transgression is the inclusion of building toilets as usable area for full floor tenants. Developers use the rationale that “the tenant controls the space; therefore it’s usable to them”. Unfortunately, control of a space is not the sole criterion for classification of space as usable under the BOMA Standard. Generally, a tenant should also be able to put furniture and equipment there.

An official BOMA publication states that “Restrooms are not considered Usable Area under the Standard, although they are part of Rentable Area.”

The term “usable area” in common usage can imply floor area that is 100% fit for productive occupancy by a tenant. While the ability to accommodate a tenant’s staff, furnishings and equipment is a key to classification of space as usable area, not all space that BOMA classifies as usable area can do so. Window sills, interior columns and parts of some interior partitions can take up a significant fraction of a tenant’s total usable space, but they are considered part of usable area for leasing purposes. Elevator lobbies on single-tenant floors are considered usable area under the BOMA Standard but rarely accommodate tenant work stations and files.

When programming tenant space needs, a knowledgeable space planner will allow for these un-usable spaces. However, there are a host of other areas where landlord and tenant concepts of “usable” may not coincide, especially in building that were built for use by a single tenant and subsequently converted to multiple tenancy: telephone closets; network wiring closets; areas with obstructed headroom like sloping ceilings or mechanical systems; floor level changes like interior steps and ramps; storage areas; mezzanines; refuge areas; and service elevator alcoves.

Perhaps the most common modification to the BOMA Standard is the use of a single multi-tenant R/U ratio on all floors of a building. This is preferred by many developers because it simplifies leasing during the initial lease-up period and stabilizes R/U ratios. While convenient, this approach redistributes rentable area between the floors of a building relative to the BOMA method and can result in significant liability in the event that a tenant engages a lease auditor and the lease language does not reflect the modification.

The BOMA Standard will probably never be expanded to cover all these issues because it would become impossibly long and complex. Some interpretation will always be necessary to deal with building-specific issues, and modifications can make its application more convenient. If the BOMA Standard is cited in the lease agreement, it is important for the property manager to document and communicate all modifications and interpretations to the tenant in order to protect the landlord from future legal actions.

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