

Know Cleanable Area Measurement

Cleaning costs constitute the fifth largest category of expenses in most commercial properties. Depending on location, size, age, occupancy, cleaning specifications and other factors, a commercial routine cleaning service contract can cost between \$0.75 and \$1.40 per rentable square foot per year, according to BOMA's Experience Exchange Report.

Although the EER reports that cleaning costs are shrinking modestly, it's important to note that the EER reports unit costs based upon the total rentable area of a property, not the occupied rentable area. Therefore, higher vacancies lead to lower unit cleaning costs. Actual cleaning costs per square foot cleaned are still increasing, driven by increasing regulation of tasks like window cleaning, higher insurance rates, and the popularity of more costly "green" cleaning specifications.

I have recently fielded several inquiries about "cleanable area measurement" from property managers trying to pare down their cleaning costs. To cut cleaning cost, the first thing that usually occurs is to avoid unnecessary cleaning of vacant suites. This suggests structuring a cleaning contract based upon unit costs and occupied square footage that can be updated as occupancy changes.

Most commercial cleaning contractors use square footage as one basis for bidding and contracting for routine cleaning services. For those interested in seeing how it's done, pick up a copy of "*Cleaning Services Bid Estimation*" by Walter Fenix. This book is an excellent reference for those who are evaluating cleaning service bids as well as for those making them.

A cleaning contractor's process for determining square footage is not as accurate as a property manager's exact calculation of rentable area. Many will determine square footage by pacing off room dimensions or counting ceiling tiles. This level of accuracy is appropriate because there are many other features of the space to be cleaned that are more critical than square footage in their impact on his costs. These include:

1. How much soil and trash is generated by the occupants
2. Density of furnishings and equipment
3. Types of surfaces to be cleaned
4. Number of bathroom fixtures and other features to be cleaned

Ideally, a unit price agreement for routine cleaning should be based not on a generic "square footage occupied" but on a detail listing of floor areas by type of surface, numbers of fixtures, cleaning frequency, and other factors. This type of agreement might lead to the lowest cost because it minimizes a cleaning contractor's risk. However, it carries a high administrative overhead because of the amount of work required to update monthly cleaning charges as tenants come and go.

At the opposite extreme, a property manager's ideal cleaning agreement might be to base it upon rented area using figures easily available from the rent roll. This approach simplifies life for the property manager but has two problems. First, it ignores the cleaning cost variables listed above, forcing a cleaning contractor to use higher unit cleaning costs to protect himself from financial loss. Second, while the rentable area of all the tenants on a full floor does include common areas on a floor (hallways, toilets,

etc.), any vacancy reduces the cleaning contractor's compensation for cleaning those common areas. This also forces him to "pad" his costs with an estimate for average vacancy to protect him from losses on partially vacant floors. This approach usually leads to higher cleaning costs.

Perhaps the best compromise for measuring "cleanable area" is to use the actual usable area (per BOMA) of occupied areas plus the actual floor areas of common spaces to be cleaned. This requires the property manager to maintain a tabulation of floor areas in more detail than a simple rent roll. However, only modest effort is needed to update monthly cleaning charges in response to changing vacancies. It also requires a cleaning contractor to work with an estimate of occupant density, soiling rates, and other variables that might lead him to include a modest contingency in his pricing, but not as significant as using rentable area as the only basis for unit pricing.

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