Modifying the BOMA Standard
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The BOMA Standard for measuring floor area in office buildings is a touchstone in the real estate industry. However, the current version is very different than the first one published in 1915.

As new measurement practices in real estate evolve to deal with new architectural and leasing concepts, BOMA seeks to incorporate them in the standard and reviews it every five years. Recently, this has led to updated versions of the BOMA Standard every 10 to 15 years. A principle driver for these changes is the concept of Modified BOMA

When the BOMA Standard does not meet the needs of a property owner, the owner modifies it to deal with particular situations, resulting in a Modified BOMA standard. For example, in the 1980s and 1990s commercial properties began to compete for tenants using building common amenities like exercise and conferencing facilities, daycare and concierge services. This drove many property owners to adopt a Modified BOMA measurement method that allocated the floor area of such building common spaces to all tenants of a building. This practice, which was not supported by the 1980 BOMA Standard, was only a Modified BOMA method until 1996, when Building Common Area was incorporated into the BOMA Standard.

This did not eliminate Modified BOMA measurements. They continued to exist to address the particular needs of property owners. Currently, the most prevalent Modified BOMA measurement method is the “single rentable/usable ratio” modification.

The current version of the BOMA Standard requires that the R/U ratio, or loss factor, used to calculate the rentable area of a tenant, be calculated on a floor-by-floor basis. In most buildings, this leads to a different R/U ratio for every floor.

R/U ratios that vary by floor cause a host of problems for landlords. Prospective tenants prefer floors with lower R/U ratios, which may not be their best location from the standpoint of lease-up strategy. When floors with low R/U ratios are full, the remaining floors become less competitive and harder to lease. A tenant expanding onto another floor with a higher R/U ratio may resist it, resulting in loss of rentable area. It is not only difficult to keep multiple leasing agents informed of a changing matrix of R/U ratios, but also more likely that the wrong R/U ratio will be used in a lease agreement.

The Single R/U ratio Modified BOMA method overcomes these problems by reallocating rentable area among the floors of a building such that the multi-tenant R/U ratio is identical for every floor. The space classifications and boundaries specified by the current BOMA Standard are unaltered and the total rentable area of the building does not change.

This approach requires a new concept, the “Base Building Corridor”, which is the hypothetical minimum code-required corridor on each floor, whether or not it is a single or multi-tenant floor. This corridor, by subtraction, determines the multi-tenant usable area on a floor and, when summed for the building, the single R/U ratio for the building. The rentable area of tenant occupying a full floor is the multi-tenant usable area multiplied by the single R/U ratio.

The principle drawback to this measurement method is the documentation required to substantiate rentable area calculations. The base building corridor is likely to exist only in the CAD system used to implement the area calculations. Actual corridors will likely be different.

The single R/U ratio Modified BOMA method is so common that it is being considered for incorporation into the next release of the BOMA standard. At its meeting in Dallas on June 24, BOMA voted to republish the 1996 standard without change as the 2006 BOMA standard until the required modifications can be made to incorporate a single R/U ratio method and other updates. This process may take two to three years. Until then, those adopting the BOMA 2006 standard must be careful to describe in their lease agreement any deviation, including the Single R/U ratio method. Failure to do so may cause liability from lease audits.

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