

Definitions

Building common area means the areas of the building that provide services to building tenants but which are not included in the *office area* or *store area* of any specific tenant. These areas may include, but are not limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, day care facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from *building common area* are *floor common areas*, parking space, portions of loading docks outside the building line, and *major vertical penetrations*.

Floor useable area means the sum of *usable areas* of *office areas*, *store areas* and *building common areas* of a floor. The amount of *floor usable area* can vary over the life of a building as corridors expand and contract and as floors are remodeled.

Floor common area means the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor.

Floor R/U ratio means the conversion factor that, when applied to *usable area*, gives the *basic rentable area* of the *office area*, *store area*, or *building common area*.

vertical floor-to-ceiling dimension, or if the permanent outer building wall is not vertical, the *dominant portion* shall be the inside finished surface of the wall where it intersects the finished floor. In the case of *store area* with street level frontage, the *dominant portion* will be the building line.

Gross building area means the total constructed area of a building. It is generally not used for leasing purposes.

Gross measured area means the total area of a building enclosed by the *dominant portion*, excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor-by-floor basis.

Major vertical penetrations means stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, light wells, and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying *office areas* on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be *major vertical penetrations*.

Floor rentable area means the result of subtracting from the *gross measured area* of a floor the *major vertical penetrations* on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration.

Usable area means the measured area of an *office area*, *store area*, or *building common area* on a floor. The total of all the *usable areas* for a floor must equal *floor usable area* of that same floor.

Office area means the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed.

Store area means the area of an office building suitable for retail occupancy. *Store areas* are included in *floor rentable area* and *rentable area*.

Ratios

Floor R/U Ratio = *Floor Rentable Area*/*Floor Usable Area*

of corridors (corridors in place as well as those required by local codes and ordinances to provide an acceptable level of safety and/or provide access to essential building elements) and to the permanent walls, the dominant portion (see ANSI/BOMA Z65.1-1996) of building exterior walls, and the center of tenant-separating partitions. Where alcoves, recessed entrances, or similar deviation from the corridor are present ANSI/BOMA Usable Square Feet shall be computed as if the deviation were not present.

In the private sector it is very common to offer for rent on a rentable square foot basis. Sometimes the demised premises is not measured (some suites are rented as they are on a gross rather than square foot basis). If the demised premises is measured, the result is a usable square foot measurement. To this is then added the R/U Ratio which increases the usable square foot age to a higher rentable square footage. For example:

Assume a suite measured out at 1750 usable square feet and the building had a R/U Ratio of 28%. The rentable square feet would be:

$$1750 \text{ usf} \times 1.28 = 2240 \text{ sf}$$

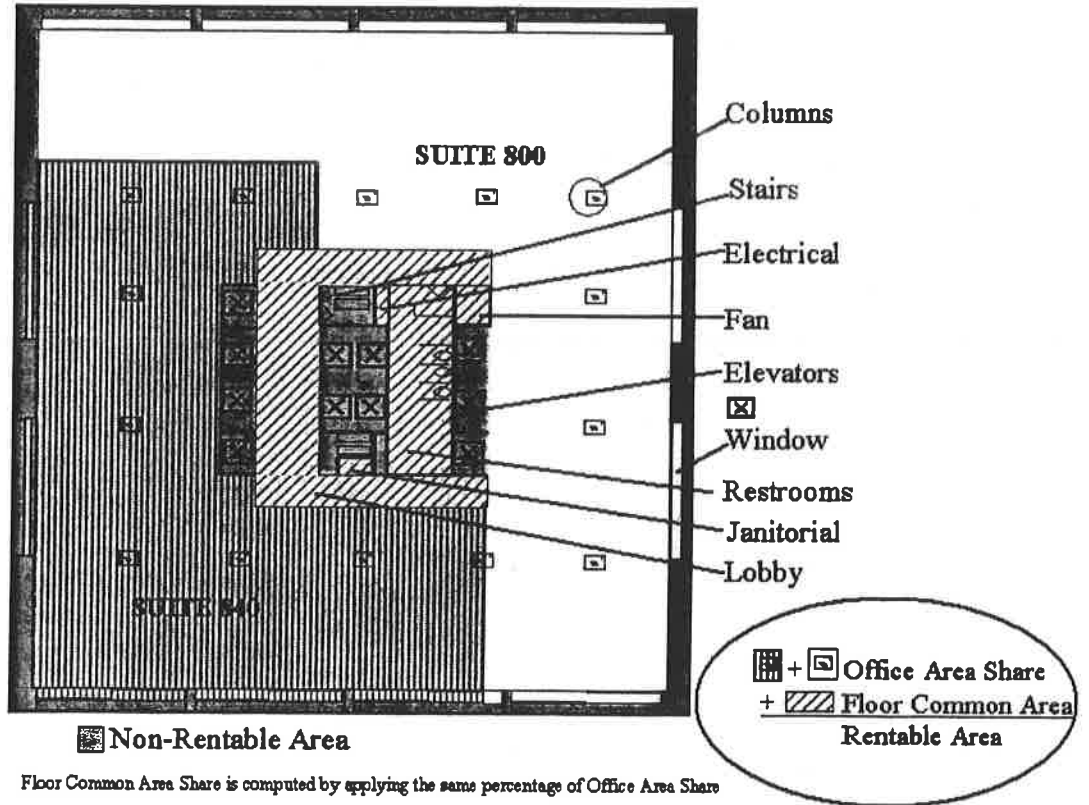
If the owner was thinking in terms of rentable square feet and quoted \$12.00, the total rent would be 2240 sf x \$12.00 per sf per year = \$26,880 per year.

On a usable square foot basis, the per square foot rent offering should be \$26,880 divided by 1750 usable square feet or \$15.36 per usable square foot.

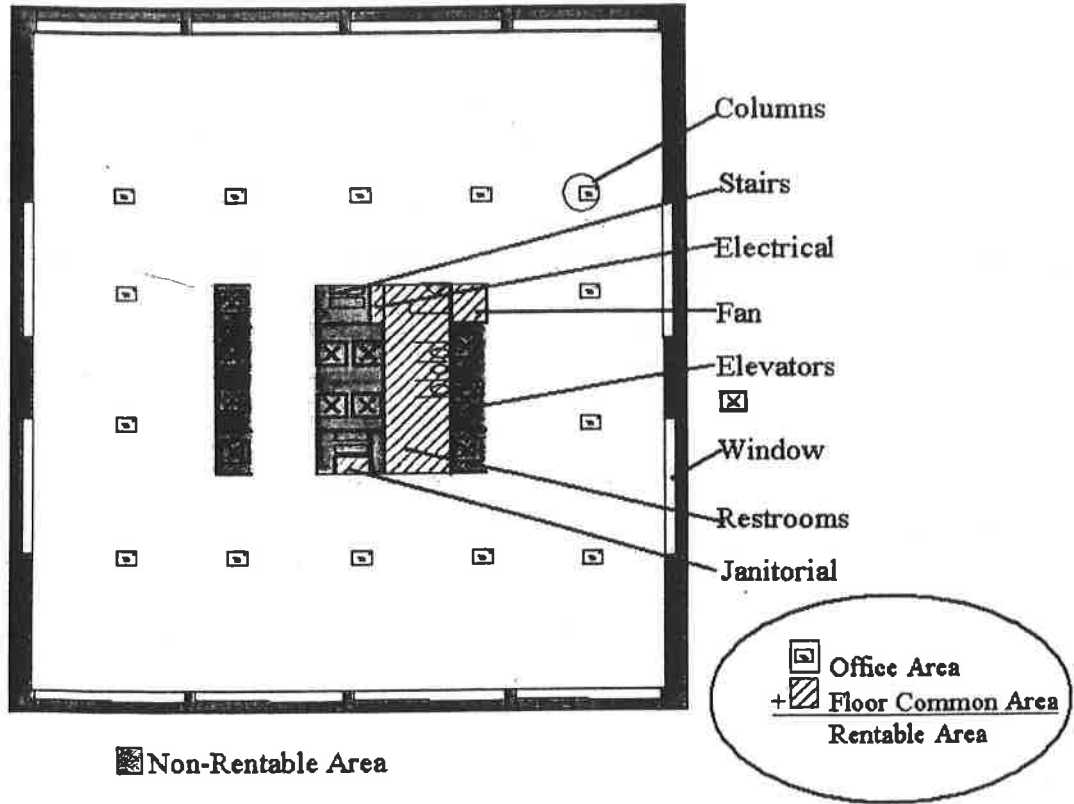
It is very important to verify the lessor's intended offer since there is a very real possibility of an error in the offer caused by the confusion between rentable and usable square feet.

Following the above example, if the confusion was not avoided, the government would pay \$12 per usable square foot on 1750 usable square feet of space for a total annual rent of \$21,000 or an annual difference of \$5,880.

Sample Multi-Tenant Floor



Sample Single Tenant Floor



Comprehensive Transaction Process

