

## **Income Has Hit The Roof! Property Owners Can Maximize Earnings from Antenna Systems**

By Eric C. Rubenstein and Patricia M. Schaubeck

Telecommunications operators require sites for their transmitting towers, antennas and related equipment. Commercial tenants may need antenna systems to operate their businesses. Savvy owners of office buildings can obtain additional revenue by allowing the installation of rooftop antenna systems to meet these needs.

The building owner can benefit from as many agreements as it has telecommunications vendors and tenants using antenna systems in the building. Fixed monthly fees are typically paid to the owner under these arrangements. Alternatively, a building owner may enter into a master antenna system agreement with a “master” telecommunications operator, which sublicenses its rights to install antenna systems at the building to other telecommunications operators. In this scenario, the owner generally shares in revenues from the sublicense agreements.

In either case, taking full advantage of this income stream and assuring the continual flow of revenue is critical. At the same time, owners must retain control over the use of their buildings. Before signing any antenna system agreement, building owners should consider the following:

**Non-exclusivity.** Any rights granted to the operator or tenant must be non-exclusive. Owners should be able to sign up as many telecommunications operators and tenants as the building can handle, thereby increasing the owner’s revenue and ensuring maximum service to the building.

**Non-interference.** An operator’s antenna system cannot interfere with any other telecommunications transmissions already at the building or the reception of services by any tenant in the building. Any interference may result in the aggrieved operator withholding license fees.

**Relocation flexibility.** Building owners should retain the right to direct the telecommunications operator or tenant to relocate the antenna system to an alternate site designated by the owner. This gives the owner the flexibility to accommodate multiple antenna systems.

**Avoid representations about service.** In order to avoid license fee disputes, building owners should not make any representation or warranty that the antenna system will be able to receive or transmit communication signals without interference or disturbance. The operators, which are more technologically conversant than owners, are in a better position to ensure that service will not be hampered.

**Preclude transfer of rights.** The transfer, assignment, sale or pledge of the agreement by the telecommunications operator or tenant should be prohibited. Without this prohibition, operators could sell their rights for a profit, thereby denying owners maximum revenue for their facilities.

As we often hear leading building owners say: "A rooftop is a terrible thing to waste." With proper deal structuring and an eye to future rooftop space use, antenna licensing can be a substantial boost to the bottom line.

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