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February 14, 2011

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BOMA 2010 Office Buildings: Standard Methods of Measurement And Calculating Rentable Area

By Michael Kuhn and Samir Najam

Commercial real estate professionals have long recognized the 1996 BOMA Office Standard (the "**1996 Standard**") as the generally accepted method for measuring rentable area in an office building. However, in 2007, the Building Owners and Managers Association ("**BOMA**") and the International Facility Managers Association announced a new initiative to create a common set of measurement terminology and methodology to be shared by both Associations. From this initiative came the 2010 BOMA Office Standard (the "**2010 Standard**"), which differs from the 1996 Standard in several ways.

One of the most significant differences is that the 2010 Standard, unlike the 1996 Standard, provides landlords with a choice of methods for measuring office space. The first method, called "**Method A**" or "The Legacy Method", is essentially the same as the 1996 Standard. It involves determining a "load factor" (a tenant's proportionate share of the common area) on a floor-by-floor basis.

The second method, introduced in the 2010 Standard, is called "**Method B**" or the "Single Load Factor Method." This new method simplifies landlords' leasing calculations by allowing for an identical load factor for all floors of a building. This is accomplished by accounting for a hypothetical common area on every floor regardless of occupancy or architectural features. This hypothetical common area, known as the "**Base Building Circulation**", represents the minimum common area on a multi-tenant floor that is required for access to amenities and services areas. Method B, in addition to making calculations easier for landlords, also reduces the inequitable variation of load factors between floors. This should make it easier for landlords to lease space on floors which, under Method A, have high load factors due to large common areas (e.g., transfer floors).

The third option for measuring office space allowed by the 2010 Standard is not a defined methodology. Instead the 2010 Standard allow landlords the option of using their own capped load factor on a floor-by-floor basis. However, this load factor cannot exceed the load factor determined by Method A or Method B, and the 2010 Standard provides no instructions as to how to determine a capped load factor.

Under all three options, the total rentable area of a building is equivalent. Only the manner in which common area is allocated varies. Also, landlords cannot combine floor measurement methods; the same method must be used to measure all the office space in a building.

In addition to providing alternative methods for floor measurement, the 2010 Standard includes new terminology for commonly used terms. The terms "Tenant", "Floor Rentable Area" and "Tenant

Usable Area” have been replaced with the terms “Occupant”, “Preliminary Floor Area” and “Occupant Area”, respectively. Also, the 2010 Standard has 35 more defined terms than were found in the 1996 Standard. For example, the 2010 Standard introduces the concept of “Occupant Storage”, which is a class of space for separately leasing certain occupant storage areas in a building based solely on usable area, without application of a load factor (e.g., basement occupant storage).

Despite the introduction of the new 2010 Standard, the 1996 Standard is still valid. Commercial landlords need not rush to change their leases or re-measure their office buildings to adopt the 2010 Standard. However, lease forms should be revised to state clearly which BOMA Office Standard the landlord has selected, and, if the 2010 Standard is to be applied, which method of floor measurement is to be used.

Jackson Walker’s Real Estate group is experienced in advising and protecting its real estate clients in today’s challenging market. Contact the following attorneys if your lease document needs updating in light of the promulgation of the new BOMA standard:

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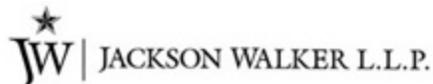
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