



Floor Area Measurement Best Practices #1

Floor Area Measurement of Single-Tenant Office Buildings

Applicable to: BOMA 2010 Office Standard (ANSI/BOMA Z65.1-2010)

BOMA Gross Area Standard (ANSI/BOMA Z65.3-2009)

Approved: 04-Feb-2014

Introduction The Floor Measurement Standards Committee of BOMA International has approved this Best Practice to provide guidance in addition to that included in the BOMA 2010 Office Standard. This Best Practice does not modify the BOMA 2010 Office Standard published as ANSI/BOMA Z65.1-2010 but may be considered for inclusion in future updates of that publication. The provisions in section of the Legal Notice page of ANSI/BOMA Z65.1-2010 are included herein by reference.

Question: What BOMA standard should be used for measuring the floor area of an office building that is leased entirely to one single occupant?

Answer: BOMA's published standards recognize that, in an office building that is leased entirely to a single occupant (as in build-to-suit development and sale-leaseback transactions), it is common to utilize exterior gross area (or construction gross area) instead of rentable area as the basis for leasing. BOMA Standards do not direct which measure of floor area to choose. That choice is generally made by the stakeholders to the lease agreement.

If the exterior gross area or construction gross area of a single tenant office building is chosen as the basis for leasing, BOMA recommends "The Gross Areas of a Building, ANSI/BOMA Z65.3-2009". If the rentable area of a single tenant office building is chosen as the basis for leasing, BOMA recommends "Office Buildings: Standard Methods of Measurement, ANSI/BOMA Z65.1-2010.

Note that benchmarking in the real estate industry is generally based upon rentable area, so even if the lease of a single tenant building is based upon its exterior gross area it may be necessary to also compute its rentable area in order to meaningfully compare its operating expenses with those of other similar office buildings using benchmarking publications like the BOMA Experience Exchange Report.

Citations: **BOMA 2010 Office Standard ANSI/BOMA Z65.1-2010 (Section 1B: Application and Use)**

An office building is one whose predominant occupancy is office along with limited ancillary uses such as retail, parking, occupant storage and the like. This standard is not intended for application to mixed use properties but may be applied to portions of mixed-use buildings that have office occupancy.

This Standard is not designed for application in measuring office buildings that are leased on a basis other than rentable area as defined herein, such as some single tenant buildings in which gross area is used for leasing. In the case of an office lease based upon gross area, the BOMA publication "The Gross Areas of a Building: Methods of Measurement" should be applied and cited, not this Standard.



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BOMA Gross Area Standard ANSI/BOMA Z65.3-2010 (Section 1: Scope)

These methods are intended for application to buildings containing all types of occupancies, including office, retail, industrial, single and multi-unit residential, hospitality, entertainment, and institutional buildings, both private and public. They can be applied to both new and existing buildings containing single or multiple stories that are either owner occupied or leased to one or multiple tenants.

BOMA 1996 Office Standard ANSI/BOMA Z65.1-1996 (Measuring Gross Building Area)

GROSS BUILDING AREA is not to be used for leasing purposes except where an entire building is leased to a single tenant.

ANSWERS TO 26 KEY QUESTIONS ABOUT THE 1996 ANSI/BOMA STANDARD METHOD OF MEASURING FLOOR AREA IN OFFICE BUILDINGS, Question #24 “Is Gross Building Area an appropriate way to measure a single occupant building?”

The Standard is a systematic method for measuring office buildings, and should be used in its entirety for each building. Its purpose is to provide a common and agreed-upon basis for comparing lease rates, building efficiencies, operating costs and other relevant data. For example, Gross Building Area is used within the industry primarily to determine construction costs or building value. Usable Area is often used to determine cleaning costs and space efficiencies.

Single occupant buildings will often need to be compared to multi-occupant buildings and, in these cases, Building Rentable Area is the recommended measurement to use. Gross Building Area is an appropriate method in determining a single tenant lease rate. Each part of the Standard has its own use and needs to be applied regardless of the number of occupants.

BOMA Gross Area Standard ANSI/BOMA Z65.3-2010 (Section 2, Preface)

Exterior Gross Area: The total floor area contained within the measure line (generally, the outside surface of the exterior enclosure of a building) including structured parking. Typically, unenclosed areas are excluded except for external circulation and the top level of a parking structure. It may be an appropriate measure of area for use in planning and design of buildings with respect to zoning floor area ratios (FAR), for real estate tax assessment purposes for some occupancies, for valuation using income or comparable value approaches, or for determining a lease rate when a building is leased to a single tenant.

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