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BOMA 2010: A New Approach to Office Measurement Standards

The standard method of floor measurement for office buildings (referred to here simply as the *Standard*) was developed by the Building Owners and Managers Association International in 1915, and it has served as the national standard ever since.

The 1996 Standard

The Standard has been revised from time to time to respond to changing needs. In early versions, *Usable Areas* (spaces that could be occupied by tenants) were grossed up by means of a conversion factor referred to as the "*R/U Ratio*" to include a pro rata share of the floor area of the *Floor Common Areas* (janitor closets, telephone rooms, washrooms, corridors, elevator lobby areas, etc.), but the floor areas of facilities serving the entire building (as opposed to a single floor) such as ground floor lobby areas, concierge areas, loading docks, boiler rooms, electrical and mechanical rooms and other amenities were not apportioned to increase the areas of Usable Areas for the purposes of calculating rent.

In 1996, the ground floor lobby areas, atrium spaces at the level of the finished floor, concierge areas, security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centres, mailrooms, fire control rooms, and fully enclosed mechanical or equipment rooms were included in a new definition: "*Building Common Area*", and this area was allocated by means of a conversion factor referred to as the "*Building R/U Ratio*" to all areas that are occupiable by tenants of the building.

The 2010 Standard

In 2010 further revisions of the Standard were introduced. It now includes a chart that facilitates the calculation of

Rentable Area for a building and includes several new and replacement definitions. Changes have been made in the way Floor Common Areas are apportioned in grossing up office and other occupiable space on a floor that contains *Building Service Areas*. Building Service Areas include boiler rooms, main floor lobbies, building electrical and mechanical rooms, fire control rooms and other areas that are necessary to enable all occupants to work in the building. This change is designed to ensure that office and other occupiable areas on the floor receive an appropriate apportionment of the Floor Common Areas. Under the 1996 Standard, office and other occupiable areas on other floors were grossed up to include a portion of Floor Common Areas that should properly be allocated to the tenants on the floor where the Building Service Areas are located. The mechanics of how this is achieved become evident when Chart 3, Legacy Method A, Global Summary of Areas is analyzed, but the calculations are subtle and only become apparent on careful analysis.

A problem with the treatment of storage areas is also addressed. Under the 1996 Standard, storage areas not intended for occupation are included in the Rentable Area of the building. This gives the tenants of office areas a windfall at the expense of the landlord. Storage areas that are not served by air conditioning or otherwise finished for occupation are not leased on a net basis and no contribution to operating costs or taxes is included in the rental rates or fees for these areas. If those storage areas are included in the Rentable Area of the building they inflate the denominator of the proportionate share fraction used for determining a tenant's share of operating costs and taxes. As a result, the landlord effectively subsidizes an amount equal to the operating costs and taxes contributions per square foot of the storage areas.

The problem is remedied by creating a new category of space "*Occupant Storage*" and excluding it from the Rentable Area of the building.

Method A and Method B

The 2010 Standard requires users to choose between two methods of measurement. Method A, the Legacy Method, addresses the problems outlined above in the 1996 Standard, but otherwise is effectively identical to the 1996 Standard. Method B, the Single Load Factor Method, allows a single gross up (load factor) to be applied to all occupiers of space in the building. The result is that, regardless of what floor a tenant is on, its Usable Area is grossed up by the same factor as the Usable Areas on every other floor in the building. Industry members felt that the introduction of a single load factor method would allow for more effective marketing and administration of leases.

Since a single load factor, or gross up factor, is used throughout the building under Method B and since, under this method, Occupant Storage areas are also excluded from the Rentable Area of the building, the problems identified in connection with the 1996 Standard that are solved under Method A are also solved under Method B.

In order to establish a single load factor applicable on all floors of the building, Method B introduces a new class of space, "*Base Building Circulation*". It assumes that Base Building Circulation exists on all floors whether they have multiple occupants

or a single occupant. Base Building Circulation is a hypothetical corridor and/or lobby identified for each floor regardless of occupancy or physical conditions. It is the minimum path necessary for access and egress to and from the *Occupant Areas*, stairs, escalator and elevator, rest rooms, janitor closets and water coolers, required refuge areas, life safety equipment and building service, and amenity areas. The same hypothetical Base Building Circulation is allocated proportionately to all floors using a single load factor. Similarly, the total of Building Common Areas (which are redefined as "*Building Service and Amenity Areas*") is allocated proportionately to all Occupant Areas using a single load factor.

The 2010 Standard also makes provision for capped load factors so that a building owner, wishing to make its building more marketable, may cap the load factor for all rentable space within the building.

Drafting Tip

When using the new 2010 Standard, it is essential to identify whether the Method A (Legacy Method) or Method B (Single Load Factor Method) is to be used. A recommended citation would appear as "2010 BOMA Office Building Standard, Method A" or "2010 BOMA Office Building Standard, Method B."

It is also important to note that this new standard is **not** intended to be used to measure retail buildings, industrial buildings or multi-unit residential buildings. Separate measurement standards for retail and industrial buildings have been published and are available from BOMA.



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