



## **Listing office space: What your customers will want to know**

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Users or investors may purchase office buildings, or a suite; part or all of the building may be leased. In all cases customers want to know the overall size and type of building. Most office buildings are classified A, B or C, others are designed specifically for medical use.

Class A properties represent "the best available space," they are the newest, fanciest buildings featuring many amenities, the latest technology, and are built in the most desirable locations. Class B buildings can be thought of as a "tired class A." At one time it was a class A, "the" building to be in, but then someone built a newer, more modern building. Both classes of building appeal to major companies looking to project an image of success to the customers that come to their offices.

Class C buildings may be recently constructed, designed to be highly functional, minimizing common areas and maximizing rentable square footage. Class C could also be an older building that may be reaching structural obsolescence. Perhaps built 70-80 years ago, possibly without elevators or central air conditioning and typically found in "downtown" locations. Tenants for class C properties are mostly concerned with keeping their rent expense as low as possible. Usually their customers do not come to their offices; consequently they are not concerned with a building's appearance.

Technical and communication services are a concern of every business. What systems are in the building for phone and Internet access? Agents must determine what hours the building is open, some tenants require access 24 hours a day 7 days a week. Not every landlord however allows this, or they may provide such access only for additional cost. What are the arrangements for employee and visitor parking? If a building has amenities, i.e. health club, child care facility, cafeteria, restaurants, etc. they should be noted when the property is listed.

In addition to the physical appearance, qualities of the building and pricing, investors will need a financial analysis. Space for lease requires the costs and lease terms. What is the rent and what does it include? Some landlords charge additional rent for utilities, common area maintenance, taxes and other items; tenants may also be billed for their proportionate share of common areas in a building. Lease length must also be defined. When does the lease begin and end, may the term be extended? Will the rent be increased in future years; will the escalation be a fixed percentage or based on a Cost of Living index? Does the space being leased require any improvements; build outs, who will pay for them?

When listing properties find out everything your customers will want to know.

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