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BOMA'S 2010 STANDARD METHODS OF MEASUREMENT FOR OFFICE BUILDINGS:
Why Should Tenants Care and How Should They React?

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I. INTRODUCTION

This article discusses the impact of recent office measurement standards published by the Building Owners and Managers Association International ("BOMA") and addresses some of the key differences between BOMA's *Office Buildings: Standard Methods of Measurement and Calculating Rentable Area* (ANSI/BOMA Z65.1-2010) ("2010 Standard") and its 1996 and 1980 predecessors. The goal of this article is to help the reader understand the practical implications of office space measurement standards for tenants, as well as landlords, and the potential traps. This article should not be used as a substitute for the original BOMA publications and should not be relied upon as a complete interpretation of BOMA's measurement standards and methodologies. BOMA has designated three firms that specialize in building area measurements to serve as "official interpreters" of the 2010 Standard.[1]

II. BRIEF HISTORY OF BOMA

BOMA was founded in 1907 as the National Association of Building Owners and Managers ("NABOM") and changed its name to BOMA in 1968.[2] NABOM held its initial convention in Chicago in 1908 with seventy-five in attendance from twenty-six different cities. This first convention "truly set the tone for the next hundred years when attendee Clarence Coley from New York surprised his colleagues by giving detailed figures of his building's operating costs."[3]

Currently, BOMA has in excess of 16,500 members who own or manage over nine billion square feet of commercial properties.[4] BOMA's mission is "…to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information."[5]

III. IMPORTANCE OF AREA CALCULATIONS AND MEASUREMENT STANDARDS

[1] "Standards Questions." *Boma.org*. Building Owners and Managers Association International. Web. 29 Aug. 2011. <http://www.boma.org/MeasurementStandards/Pages/StandardsQuestions.aspx>.
[2] Horsley, Laura. "BOMA International-100 Years and Counting." *Boma.org*. Web. 1 Sept. 2011.
[3] Id.
[4] "About BOMA International." Web. 11 Sept. 2011. <http://www.boma.org/About/Pages/default.aspx>.
[5] Id.

A square foot is defined as a mathematically precise 144 square inches. However, in office leasing, a tenant's rent is not paid based upon the actual number of square feet in a tenant's space. Instead, a "square foot" for office leasing purposes is increased artificially and declared to be larger than 144 square inches because, for example, the space measurement standard generally includes the tenant's *pro rata* share of some or all of the common areas of the tenant's floor and/or the entire building. The multiplier or conversion factor used to increase the tenant's actual square footage is referred to in a number of different ways, including the add-on factor, common area factor, gross-up factor, load factor, loss factor or rentable/usable ratio.

In most office leases, the tenant's increased square footage is called the rentable area. Rentable area is the measurement used for calculating base rental as well as escalation rent in an office lease. It is important, therefore, that the tenant and the tenant's representatives understand the methodology used to calculate the rentable areas of the premises and building under consideration.

IV. PRE-2010 BOMA MEASUREMENT STANDARDS

A. BACKGROUND

Landlords may differ on the specific formula that is most appropriate in measuring the rentable area of a building, but most purport to follow a recognized industry standard of measurement, such as one promulgated by BOMA. BOMA initially developed a standard method of floor measurement for office buildings in 1915. BOMA has revised its standard from time to time, most recently in the years 1980, 1996 and 2010. *Standard Method for Measuring floor Area in Office Buildings* (ANSI/BOMA Z65.1-1980) ("1980 Standard") and *Standard Method for Measuring Floor Area in Office Buildings* (ANSI/BOMA Z65.1-1996) ("1996 Standard") are both still in use today, with the 1996 Standard being the most widely recognized office measurement standard in the United States.

B. 1996 STANDARD

As the leading office measurement standard in the United States, the 1996 Standard establishes the usable and rentable areas in many commercial office buildings. It specifies that buildings are measured on a building-wide basis through the concept of building common area, which is defined as areas common to all a building's tenants.

Listed below are some key terms included in the 1996 Standard, together with a brief description:

- *Usable Area*: actual occupiable portion of a floor or tenant's space.
- *Basic Rentable Area*: a tenant's usable area and its proportionate share of the floor common area. This concept is similar to rentable area under the 1980 Standard.