



COMPASS COMMERCIAL, ITRA GLOBAL

Providing commercial real estate services by advocating for our corporate clients' interests and increasing their profits.

Watch the Uncommon Price for Common Space

Written by: Lynn Drake

When you lease an industrial building or a strip center, what you see is what you get. Watch out for the costs within a large office space. Each tenant pays a percentage of upkeep in the common area.

You already pay for the space within your suite including a lobby, storage and working areas. But added costs mount up. You will pay a percentage for elevator shafts, bathrooms, atriums hallways, janitorial closets and HVAC rooms. The rentable charge includes a factor for useable add-on space.

Building Owners and Managers Association International (BOMA) has come up with a standard on how this space should be measured but not every landlord adheres to that measurement standard.

In the Detroit area, Compass Commercial usually factors 12-16 percent. However, last year while in Los Angeles, our firm looked at a building that had a 25 percent cost factor. It had a small atrium along with a conference room that tenants could lease for a nominal fee. I asked the broker to please define common space. He said take it or leave it. We left!

Recently, I learned that many buildings in Long Island bear a 20 percent factor for use of common space. It urges review. Beware of rental rates that look very alluring on paper. It could be the price of a suite, not including markups for common space.

The Compass Commercial Difference:

Your Advocate:

We represent only tenants and users of commercial real estate—never landlords or developers.

Your Expert:

Our team of seasoned professionals negotiate on your behalf, lowering your cost. We use our years of experience to leverage your negotiating power.

Your Local & Global Representative:

We provide broad geographic coverage and seamless representation in multiple markets through offices around the world.

Your Trusted Advisor:

You will always receive objective, unbiased advice. Our team will save your hours of time researching, conducting negotiations and other services or your behalf.



Need some help? Just call us at 248.817.5400

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Ask yourself how much you want to pay to maintain real trees in the atrium, a giant perennial garden outside and multiple banks of elevators. Something simple may suit your suite needs. Or the wow factor may be worth the price. Just think before you are mesmerized by what dazzles, and ask if it delivers satisfaction on a monthly basis.



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