

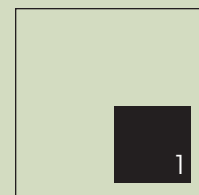
Armed and Dangerous

How to Get the Most for Your Tenant

In the leasing process, candidate building spaces are identified by a tenant's representing broker. When touring the spaces, it is important to consider carefully the architectural aspects that can affect cost and viability of a space. Many of these aspects are difficult to discern on a walkthrough and will require a thorough investigation to identify any modifications that may be required by the tenant. If needed building changes are flushed out early, they can be addressed during the lease negotiation period when your tenant's leverage is the greatest.

Asking the right questions is key to getting what your tenant will need. We have assembled a few questions that should be answered satisfactorily before signing your lease.

If your client does not have the expertise to ask these types of questions, or they cannot determine the costs of the remedies, they will be missing crucial information for their financial analysis of the space. If this is the case, then they should consider adding a seasoned Architect and estimator (or contractor) to the pre-lease team to get this information for them as part of the planning process.



QUESTIONS THAT NEED TO BE ANSWERED

Accessibility

How close to current code (Title 24) are the accessibility features in the Path of Travel?

How much would it cost to make them code compliant?

Who is responsible for providing access?

Haz Mat

Are there any existing hazardous materials on-site?

Has a Phase 1 Assessment been completed, and if so, can you get a copy?

Have abatement procedures been completed or will they be done concurrently with your client's project?

Heating/Cooling

How much 24/7 cooling capacity does your tenant need and where?

Are there any 24/7 unit/systems on-site and are they in good shape to last through the tenancy?

Are they big enough?

Typical Path of Travel Upgrades:

- Ramp @ front door (4' high) \$15-20,000 and up
- Single Toilet Room New \$15-20,000 ea.
- Drinking Fountain \$1500 - \$5000 ea.
- Rework (E) multi-fixture Toilet Rm. \$15 - \$35,000 ea.
- New accessible shower \$15 - \$25,000 ea.
- Restripe / Sign / Curb Ramp @ HC Parking Stall \$1500 ~ \$15,000 ea.

Additional 5 ton air to air on roof / 2 floors down:

\$20,000-25,000

If you are considering adding a rooftop unit, can the existing structure support it?

Data Infrastructure

Is the existing data cabling the right specification? But more importantly, is it really reusable?

Data port or drop:
\$200 ~ \$300/drop

Are the home runs labeled?

Are the home runs punched down in panels?

Are the runs long enough to accommodate furniture cubicle reconfiguration?

Is wireless an option for your client?

Electricity

How much electrical power does your client realistically need?

Add a panel & transformer:

Have they included for lights and HVAC?

\$15 - \$30,000

How much power is really on-site (and not from the marketing materials?)

Is it adequately distributed to the floor at the right volt-ages?

Emergency Power

If your client needs on-site emergency power, what is available on-site?

New on-site generator:

\$1000+/- / KVA

What is the capacity?

Who controls / maintains it?

Fuel for how long?

If it is not available, what is the feasibility of adding it?

Is there a place for it to be located?

Can it be approved by the City?

How long will approvals take? How much run time?

Gallons of fuel?

Signage

What are your tenant's needs for signage and can you really get it? (Don't assume anything.)

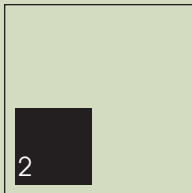
Halo lit Building Sign:

\$10,000 ~ \$15,000 ea.

Does the owner object to your sign requirements?

Does the owner really have the sign rights from the City?

Have other tenants "used up" the sign area allowance?



Existing Conditions Documentation

How complete are the existing conditions documents?

Are they all there?

- Architectural (Base Building and Tenant Improvements)
- Structural
- MEP / EMS
- Fire Protection

Are they on CAD?

Are they up to date and do they really reflect the current conditions?

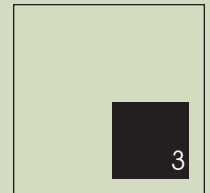
Add \$0.20 ~ \$0.25/RSF for your Architect to document Existing conditions + more for MEP

Permit Process

Can your client utilize any "Accelerated" building permit process and cut several weeks off the schedule?

Are they banking on this process?

And if so, have they added time for holidays and vacations? Are overtime and/or outside plan checker services available in your locality?



Food Service

If your client is intent on adding food service facility, have they budgeted sufficiently for both time and cost?

Will it be subsidized by the company?

If it is a building amenity, will it be guaranteed throughout the lease term?

Who will operate it?

What is feasibility of exhaust flue through floors above to roof?

What is the feasibility of any required grease trap?

Is there any loading / unloading / service access available?

Full Service Cafeteria with 70 seats:

\$1 million construction cost including equipment + design fees

Exit Strategy

Is your exit strategy realistic and does it address both directions, growing or shrinking?

Are your client's improvements typical for the market?

If you need to sublease, what are smallest increment? 1/4, 1/2, full floor?

Can the building common areas (toilets, HVAC, etc.) be shared and egress correctly routed without expensive new corridors?

Have you tested your plan?

Furniture

Existing Systems Furniture:
Reconfiguring them can be difficult to quickly ascertain:

New cubicles cost:
\$1500 ~ \$3,500 ea.

Are changes wholesale? (eg. 8x12 cubes to 8x8?)

Or selective? (eg. Combine a few 8x8's into 8x16's?)

Can the cabling lengths work? (eg. Shorter not longer runs?)

Will you own the furniture or is restoration a landlord requirement?

Can the panels be raised / lowered economically?

Is there seating included?

If your client wants to bring their furniture system, have they allotted sufficient down time for staff?



ASSEMBLE YOUR TEAM OF EXPERTS EARLY

Before you settle on a tenant space, a little upfront analysis and planning, through the help of a professional architect with experience in office planning, can help your client avoid costly building modifications, which will erode any tenant improvement allowance.

Having this expertise upfront will assure that the transition to the new space will be smoother with less surprises (and costs)...A wise investment.

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