

Kick the Tires, Look Under the Hood



When you are looking for new space Brokers do an excellent job of preparing a comparative financial analysis of all of your options. Depending upon your projected investment in Leasehold Improvements and length of your lease you may want to take the analysis a step further.

There are so many variables that you run up against when you are building out new space, obviously, the more information you have the better armed you are to make the best decision. When we buy a car, most of us pop the hood, even if we don't know what we are looking at. Those of us that don't know what we are looking at will find someone who does because if the equipment under the hood doesn't work it doesn't matter how great you look in it. The same concept applies to office buildings.



Every building has its own nuances and there are costs associated with addressing them to meet your requirements. The lowest cost building in your broker's analysis could add the most dollars to your LHI expense. Sending a team of experts to perform a technical review and analysis of your short list buildings can impact your decision process. Even if your favorite building adds more costs to construction and occupancy, you will at least be armed with that knowledge and can budget for it before you make a commitment.

Understanding base building systems capacity and utilization will tell you if there will be added costs to meet your requirements. How the loading dock and freight elevator are operated and accessed could impact your cost associated with getting materials up and move in activities. Are the restrooms code and ADA compliant? In many cases, if you are taking a full floor costs to make these spaces compliant are the Tenant's. Knowing whether the Technology infrastructure can be supported and at what cost prior to signing the lease will be rooted out with a detailed evaluation. Security and staff safety aspects could also be included in the evaluation process. If you are deciding if you want to obtain a LEED Certification for the project, this is a great time to determine costs associated with the level of certification you are planning to obtain.



