



Industrial EER Survey Instructions

General

This document provides instructions and guidance for completing BOMA International's Industrial Property Experience Exchange Report. It supports submittal of data via either an on-line process (individual properties) or via a bulk data submission process employing Excel files (multiple properties).

The data that is sought is annual aggregate data, submitted in a given year for the prior year: the *Survey Year* is the year for which data is submitted, NOT the year in which the data is provided.

The data that is sought is NOT aggregate corporate data for many properties, but rather data for a single property. Typically, a single property will include a single, primary industrial building, but perhaps with one or two outlying or ancillary buildings included in the property. In some circumstances, however, a cluster of a few primary industrial buildings are managed and operated as a single property, in which case the data would cover operations in the entire cluster.

Sometimes, a property management company may contract for one or a few services where the vendor supports multiple properties, and the expenses are shared among multiple properties: this is not justification to aggregate the income/expense data into one survey response: multiple survey responses should be used.

Questions for which responses are required are noted with an asterisk (*).

Step 1: Contact information

- The personal name, company affiliation, and mailing address of the person under whom a BOMA Industrial EER survey account is to be established.
- Check "Yes" if you are an active member of BOMA.
- The name, telephone number, and email address of the person to receive the Expense Performance Comparison and notification of special EER related deals.
- The name, telephone number and e-mail address of the person completing this survey.

Step 2: Property Identification

***1. Property Name:** Many properties don't have a formal name; if so, then the street address of the property may be reported (for reference purposes).

***2. Street Address:** Typically, the street number and street name. If multiple buildings with different street numbers are reported as a single property, please omit spaces between the numbers, so that the first <space> occurs after the numbers. Examples: "203-207 Oak Street", "203,205,207 Oak Street" or "203A-C Oak Street". Note that the first space occurs just before "Oak Street".

***3. City:** This should be the city in which the property is located, consistent with the postal zip code.

***4. State/Province:** This should be the state or province in which the property is located.



***5. Zip/Postal Code:** This is the zip or postal code for the location of the building. In rare instances, the zip code for the property's street address differs from the zip code where U.S. Postal Service mail is sent on behalf of the property. Please report the zip code for the property's location; if unknown, leave the zip code blank.

6. **Nation.** Currently, properties are accepted for only the U.S. or Canada.

Step2: Building Information I

***1. Building Area Measurement:** Choose either square feet or square meters (Canadian buildings). – *Required question.*

***2. Floor Measurement Method:** Indicate the method of floor measurement used to determine the building's rentable square footage. BOMA released a new standard for measuring office floor area in 2012: Industrial Buildings: Standard Methods of Measurement (ANSI/BOMA Z65.2-2012). The 2012 standard offers two methods, A & B, for measuring floor area. Method A is known as the exterior wall method, while method B is known as the drip line method. With either Method A or B, the calculation of the total building rentable area is identical. Floor area in buildings that are leased entirely to a single tenant is often measured using gross area. (See definition of gross area below, #7.) BOMA makes no recommendation regarding which method is used; the selection of the method used to measure floor area is at the discretion of the owner. For more information on BOMA's floor measurement standards, please visit, www.boma.org: click on "Standards."

Most leases stipulate the method of measuring floor area that has been used. Note that leases referencing BOMA floor measurement standards should include the year and, if the 2012 standard is referenced, should also include the method used.

***3. Number of Free-Standing Buildings:** The number of industrial buildings covered by this survey response. See General Comments, above. If one major industrial building with one or two ancillary buildings associated with it are reported, the appropriate response is "1".

***4. Total Gross Building Area** (also known as Exterior Gross Area) is computed by measuring to the outside finished surface of permanent outer building walls without any deductions except for voids (floor openings like upper atriums that are "open to-below"), interstitial space, unexcavated space and crawl space. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Please refer to the definition of Exterior Gross Area in the BOMA publication "Industrial Buildings: Methods of Measurement (ANSI/BOMA Z65.2-2012). For the purpose of this publication, please exclude all parking spaces and parking garages in the building from this calculation.

***5: Total Finished Area** includes space occupied by the owner, manager, and/or tenants which is "finished out" as conventional office or showroom space, typically with finished walls, office furniture, task level lighting, perhaps dropped ceilings, and heating/air conditioning. It also includes space such as computer rooms, copy/mail rooms, and lunchrooms which serve office tenant operations.



***6: Total Unfinished/Warehouse Area** includes occupant space used for storage and/or distribution of materials or manufacture of goods and merchandise.

7. Other Finished or Unfinished/Warehouse Space in Total Gross Building Area includes square footage for residential, retail (not showrooms), and/or for amenities such as cafeteria, fitness center, child care center, etc. that are underwritten by the building owner. Does not include parking areas.

8. Total Number of Parking Stalls: The total number of automobile parking stalls adjoining the building (does not include truck court parking).

9: Total Number of Additional Trailer Parking: The total number of additional trailer parking stalls, excluding docks.

10: Outside Storage: Does the property provide outside storage (yes or no)?

11: Truck Storage: Does the property provide for long term truck parking (yes or no)?

***12: Year Built.** Report the year in which the property was originally constructed.

13: Year of Last Renovation: Enter the most recent year the property underwent a substantial renovation resulting in an improvement in the overall quality of the property.

14: Mezzanine. A mezzanine is typically a sub-space constructed within a warehouse, sometimes enclosed and constructed as finished space, sometimes not. It may be accessed via stairs within a warehouse, or sometimes via an elevator. Does this property include a mezzanine area (yes or no)? If yes, please indicate if income is received for use of it.

15: Shared Expenses. Sometimes a contract vendor or property owners association may provide services to multiple properties, and the expenses are shared or pro-rated among the properties. Does this property share expenses with another building (yes or no)?

16: Property Class. Select the option which best describes the class of the property within its market:

Class A – Most prestigious properties competing for premiere industrial users with rents above market average for the area. These properties have excellent locations and their designs are ideal for the intended uses.

Class B – Properties competing for a wide range of users with rents in the average range for the market. Finishes are good to fair for the area, and systems are adequate but the property does not compete with Class A at the same price.

Class C – Properties competing for tenants requiring functional space at rents below average for the market.

***17: Property Type.** Check the box that best describes the property's primary use:

Special Use – any other special use not identified in the following two options.



Flex –An industrial property designed to allow its occupants flexibility for alternative uses of the space, usually in a flex park setting. Specialized flex properties include service center/showroom properties. Typically more than 20% of the space is of office finish and at grade level.

Industrial/Warehouse – A facility in which the space is used primarily for service, production, storage or distribution of goods or equipment and which may also include some office space, and/or a facility primarily used for the storage and/or distribution of materials, goods, and merchandise.

***18: Property Uses.** Check the box(es) that best describe(s) the use of the property (check all that apply):

Bulk Warehouse: A facility used for storage.

Call Center: A facility used for operating high volume call centers, employing many workers, sometimes for short shifts, and operating for extended hours.

Cold Storage: A facility used for the storage of cold or refrigerated items.

Common Maintenance/Utility Building: A facility primarily used for storage of property maintenance equipment, housing mechanical systems, and support of goods/services related to mechanical maintenance or utilities.

Data Center: A facility housing computers for data processing and communications, where tenants typically require up to 200 watts per square foot for computer operations and cooling, and facilities provide significant physical security.

Distribution: A type of warehouse facility designed to accommodate efficient movement of goods.

E-Commerce: A facility primarily used for the storage and/or distribution of materials, goods, and merchandise in support of Internet-based retail operations.

Low Cost Office: Multi-tenant industrial facility where generally 40% or more of the facility is dedicated to office space.

Manufacturing: A facility used for the conversion, fabrication and/or assembly of raw or partly wrought materials into products/goods.

R&D/Lab Space: A facility used for research, development and/or laboratory space.

Other: Any other type of use than those identified above. Please describe, briefly.

***19: Number of Tenants.** List the number of tenants in the property (typically each holding an occupancy lease: not workers occupying the property).

***20: Lease Type.** Choose the type that best describes the structure of your leases:

Triple Net – Tenant pays base rent plus all operating expenses associated with the property, which could include but not limited to exterior maintenance, property insurance, property taxes. It may include roof and lot repairs as well as capital improvements amortized over the useful life of the replacement.

Gross – The stated rent includes all expenses obligated by the lease. Disclosure of the specified costs of operation is required.

Modified Gross – Landlord is responsible for the base year expenses as determined by the lease; Tenant pays increases over the base year.

Other – If your lease type is not listed here, please specify.



21: Dock High Doors. List the number of high level dock doors, intended for loading/unloading trucks at truck or railroad car bed height.

22: Grade Level Doors. List the number of loading dock doors at surface level.

***23: Loading Configuration.** Indicate the location of the loading docks: Front load (only in front of building), Rear load (only in rear of building), or Cross-dock (locations on the front, back, and/or side of building). Loading may accommodate trucks or railroad cars.

23: Clear Ceiling Height. Indicate the distance from the floor to the lowest hanging ceiling member or hanging objects, beams, joists or truss work descending down into a substantial portion of the industrial work area.

***25: Number of Above Ground Floors.** The total number of floors above ground in the property. Do not count a mezzanine as a separate floor. If the property includes more than one building structure, provide the number of floors for the tallest building.

Step 3: Building Information II

***1: Ownership Type.** Select the option which best describes the sole or largest share of ownership of the property:

Private Owner/Partnership/LLC: Entities that are organized as private partnerships or Limited Liability Corporations (LLC) according to the tax code. These entities typically involve multiple parties as equity investors and own the property for investment purposes rather than for occupancy.

Institutional Investor: Institutional Investors are organizations which pool large sums of money on behalf of clients and invest those sums in properties. They include banks, insurance companies, retirement or pension funds, hedge funds and mutual funds. They act as highly specialized investors on behalf of others.

REIT: A Real Estate Investment Trust is a corporation which invests in real estate in order to reduce or eliminate corporate income taxes. REITs can be publicly or privately held, typically with many shareholders.

Corporate/Owner-Occupier: A corporation that owns assets, often to house its own operations. Corporations may also own multi-tenant assets.

Government: A local/municipal, state or federal government.

Nonprofit: Any non-hospital/healthcare entity that is classified as a 501c6 or 501c3 by the U.S. Internal Revenue Code.

Developer: A business that specializes in the design, development, and operation of properties, including industrial properties.



2: Third Party Management. Is a fee based third party contracted to manage/operate this property (yes or no)?

3: Operating Hours. Indicate the regular or standard operating hours (e.g., when HVAC is supplied without after hour charges) of the property. Total hours cannot exceed 168 hours (24 hours X 7 days/week). Twelve hours/day, 5 days per week equals 60 hours.

***4: Average Occupancy Rate.** Report the occupancy rate for the property (percentage of space leased or occupied) as an average for the year. NOT the vacancy rate. Please note: occupancy equals 100 minus the average vacancy rate.

***5: End of Year Occupancy Rate.** Report the actual end of year occupancy rate for the property (percentage). NOT the vacancy rate. Occupancy rate equals 100 minus the vacancy rate.

***6: Amount of Newly Leased Space or Turned Over to New Tenant(s)/Occupants.** Report the amount in square feet that new tenant(s) occupied in the building.

7: Onsite Tenant Worker Population. Average number of tenant employees working in the property throughout the year. Exclude building operation related staff/employees.

8: Pass-Through Capital. Do most leases provide for pass-through of major capital expenditures above a specified level (yes or no)? If yes, indicate the threshold on a dollars per square foot (meter) basis.

9: Energy Star Certification. Answer yes or no. Indicate if the property has earned US EPA's Energy Star, which rates energy performance on a scale of 1-100. Properties must score 75 or better to earn the Energy Star.

10: Benchmarking Energy Performance. Some property managers measure and monitor their property's energy performance using an industry-recognized analytical tool, such as the EPA's Portfolio Manager. Answer yes or no.

11. Portfolio Manager Score. If the property benchmarks its energy performance with EPA's Portfolio Manager, what is its score? Answer must be in whole numbers between 1 and 100.

12. LEED Program Participation. Indicate in which LEED program (if any) your property participates. LEED is the Leadership in Energy and Environmental Design certification, offered by the US Green Building Council. The options are: New Construction, Existing Building (Property), Core and Shell, or None.

13: LEED Achievement. LEED certification is available for new buildings, existing buildings, core and shell and other types of projects. It is based on points and is available at 4 levels; please select the level of achievement for your property: Certified, Silver, Gold and Platinum.



Income Information Section

Numbers in Brackets [] refer to the numbered accounts in the BOMA Industrial Chart of Accounts provided in the Help Section.

Submit data which covers only the previous calendar or fiscal year. Report in whole dollars—no cents. Exclude credits or reimbursable expenses incurred prior to the previous year, even if they appear on an income/expense statement for last year.

Step 4: Income Information (Income in whole dollars)

This income section focuses on three sources of revenues: rent, additional income, and miscellaneous income.

1: Industrial Rent – Base Rent: Rent includes rent payments under all lease agreements for this property that may be segregated into the following categories (if not, see instructions for reporting Totals, 1C, 2C, or 3, below) [31 000].

1: Base Rent: The total minimum rent payments under all lease agreements for this property. [31 100] If base rent contains reimbursements for tenant improvements, and the reimbursement amount is known, the reimbursement amount should be reported under Tenant Improvements Recovery (below), and NOT as Base Rent.

2: Industrial Rent - Additional Rent: Payments received from tenants per the lease agreement, categorized or described as the following:

1.Pass-thrus: Rent that reflects costs that are typically passed through to the tenant. [30 200], [34 000]

2. Operating Expense Escalations: Those items of additional rent that are calculated as the tenant's portion of expenses, above a pre-determined number such as a stop, base year amount, or negotiated amount. [30 300], [30 400]

3. Lease Cancellations: Amount of money a tenant pays for the privilege of canceling its lease, usually reflecting a calculation of future rental payments due. [30 500]

4. Rent Abatements: Free rent or free operating expenses. This value is usually reflected in an accounting system as a contra-account to minimum or base rent. It should be reported as a positive number, when it reflects a reduction in Additional Rent. [30 600]

5. Total Additional Rent: The sum of the four categories above. If data for the individual categories is not available but data for Total Additional Rent is, please provide the total value here.

3: Additional Income

1. Tenant Improvements Recovery: Income that reflects expenditures made by the landlord for a tenant, recovered over the term of the lease, including interest charges for outstanding balances. [34 000], [16 100], [16 300]



2. Capital Expenditures or Major Repair Reimbursements: Payment by tenants for expenditures that are amortizable by the landlord and may be incurred for an entire property or on behalf of one or more tenants. These expenditures may be incurred at any time with respect to an individual tenant's lease term. Each lease typically identifies the types of expenditures that are subject to reimbursement (such as a major roof replacement). This line item includes annual charges to tenants for maintenance of a Capital Reserve Fund as well as reimbursement of non-recurring major expenses. [14 300]-[14 500], [16 200]

3. Total Additional Income. The sum of the above two components of Additional Income. If data is not available for the above categories, but data is available for Total Additional Income as defined here, then the calculated total for this line may be over-ridden to report the property's Total Additional Income.

4: Miscellaneous Income: Include income from such things as vending machines, pay telephones, special management fees, signage, late charges, interest, special events, health clubs, recycling, and concierge services. [35 000], [36 000]

5. Total Rental Income: The sum of Base Rent and Total Additional Rent. If data for the components above are not available, or the accounting data for Total Rent [30 000] differs from the calculated total, the accounting data for Total Rent may be reported here by over-riding the calculated total.

6. Total Industrial Income. Total or summation of Base Rent, Total Additional Rent, Total Additional Income, and Miscellaneous Income. If the components of income identified above cannot be provided, or the property's Total Income is recorded to be different from this calculated sum, the sum may be over-ridden to report the property's Total Income.

Expense Data Section

Numbers in Brackets [] refer to the numbered accounts in the BOMA Chart of Accounts provided in the Help Section.

Submit data which covers only the previous calendar or fiscal year. Report in whole dollars—no cents.

Exclude credits or reimbursable expenses incurred prior to the previous year, even if they appear on an income/expense statement for the previous year.

Step 5: Expense Information (Expenses in whole dollars)

1. Non-Recurring Major Expenses. Expenses reported in an annual income statement that are for major and non-recurring improvements or repairs, such as roof replacements, re-surfacing parking lots, replacement of a building's siding, etc. Expenses reported here should be *excluded* in specific line-items below.

2. Exterior Building Maintenance: Includes directly expensed outlays for building exteriors such as exterior window repairs, repainting, power washing, common area dock expenses, and drive-in door/leveler repairs. [41 500], [41 850]

3. Grounds/Landscaping/Exterior: Includes expenses associated with landscaping contracts, directly expensed tools/equipment, outdoor sprinklers, mowing expenses and



supplies/materials/miscellaneous. Expenses associated with salaried or hourly employees such as payroll, payroll taxes, and benefits, are reported in item 12, below. [43 100], [43 400]

4. Paving/Concrete Repairs: Includes expenses related to the repair and maintenance of any pavement or concrete areas including curbing. [43 200]

5. Snow Removal: Includes long term contracts, directly expensed tools/equipment as well as supplies/materials/miscellaneous. [43 300]

6. Mechanical/HVAC: Includes all HVAC contract services, fees, directly expensed tools/equipment, and supplies/materials/miscellaneous expenses associated with maintenance and operation of air conditioning, heating, elevators and lifts, plumbing, electrical systems, generators, photo-voltaic systems, solar hot water collecting systems, but excluding exterior lighting. [41 150], [41 200], [41 300], [41 400], [41 600]

7. Water and Sewer: Total gross water/sewer expenses for the building. [42 600] – [42 700]

8. Energy: Annual charges for consumption of electric power, natural gas, steam, chilled water, etc. Includes any energy that is sub-metered, even if you are receiving income for it, such as energy supplied via on-site generators, photovoltaic collectors, and/or solar hot water collectors: show the total expense, not the net expense after tenant reimbursement. [42 000]

9. Trash: Includes all trash removal and recycling expenses including medical and hazmat waste removal. [40 500]

10. Fire/Life Safety: Includes contract services, contracted security personnel, maintenance contracts, supplies/materials/miscellaneous, monitoring contracts, and fees associated with operation and maintenance of fire and life safety systems. Expenses associated with directly employed staff security personnel (payroll, payroll taxes, and fringe benefits) are reported in item 12, below. [41 700], [44 200] – [44 600]

11. Property Manager Wages: Payroll, taxes, and fringe benefits for directly employed building management personnel. [45 100]

12. Maintenance Personnel Wages: Payroll, taxes, and fringe benefits for directly employed maintenance personnel, custodial, staff groundskeepers, staff security, including salaried supervisors or managers. [40 100], [41 100], [43 100], [43 200], [44 100]

13. Management Fee: For a building managed under a management contract. If you checked “YES” in Step 4 #2, then this line item should not be blank. [45 200], [45 300]

14. General & Administrative: General expenses of running and maintaining the building – supplies, furniture, telephones/Web sites, temporary help, and postage, plus such items as leasing/brokerage fees, special events, dues/subscriptions, classified ads for hiring/contract solicitation and E/O insurance. [45 400], [45 500], [50 000], [51 000]

15. Real Estate Taxes: Total land and building real estate taxes. [47 100]

16. Insurance: All types of building insurance, including fire, boiler and other. Does not include errors and omissions, insurance related employee benefits or insurance that would normally be paid by tenants. [47 400]



17. Other: All other expenses not captured above.

18: Amortizable Capital Expenditures: Expenditures for improvements that will be deducted over the expected or tax-determined life time of the improvements (and not expensed entirely in the year in which they are incurred – see item #1, above). These expenditures may be deducted from a Capital Reserve Fund, if such exists.

19. Total Reimbursable or Directly Recoverable Expenses. The sum of all annual expenses that may be recovered or reimbursed directly, in accordance with tenant leases. This amount may be the sum of some (but not necessarily all) expenses (#1 - #17) reported above, or it may be recorded separately in the accounting system for the property. The latter value is preferred, if it is available.

20. Total Operating Expenses. The calculated sum of items 1-17. If the respondent's accounting records indicate a Total Expenses value that differs substantially from the calculated total, the calculated total may be over-ridden or replaced by the property's recorded total expense value.

21. Total Industrial Expenses. The calculated sum of items 1-18. If the respondent's accounting records indicate a Total Expenses value that differs substantially from the calculated total, the calculated total may be over-ridden or replaced by the property's recorded total expense value.

Step 6: Confirmation

Please review the data for accuracy prior to submission. Printing a copy of the data, or saving an electronic copy of it for future reference, is always a good idea.