



2020 Office EER (Experience Exchange Report) Terms and Definitions

Building Information

Building Area Measurement: Either square feet or square meters (Canadian buildings).

Office Rentable Area includes occupant space occupied by the owner, manager, and/or single occupants. It also includes space such as computer rooms, copy/mail rooms, and lunchroom which serve office tenant operations. Includes area used by owner.

Retail Rentable Areas include occupant space for cafeteria, fitness center, and child-care facility if operated as standalone entities and are not subsidized as amenities. A bank lobby space is treated as retail. Retail Rentable area that is an ancillary use in an office building is generally measured using the BOMA Office Standard. BOMA publishes "Retail Buildings: Standard Method of Measurement (ANSI/BOMA Z65.5-2010) for use when retail space constitutes more than an ancillary use. *Please note that the EER encompasses only buildings with 70% or greater office occupancy.*

Other Rentable Area includes square footage for other non-office, non-retail space, tenant storage; exclude parking areas. Include space for amenities such as cafeteria, fitness center, child care center, conference center etc. that are amenities provided by the building owner. For public sector buildings, treat court room/courthouse waiting room, cells/detention room in a police station, and the process space a post office as other space.

Please note that the EER encompasses only buildings with 70% or greater office occupancy.

Building Class:

Class A – Most prestigious buildings competing for premiere office users with rents above market average for the area. These buildings have high quality standard finishes, state of the art building systems and amenities, exceptional accessibility, and a definite market presence.

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

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



Property Type:

General – Multi-tenant building. Includes buildings with owner-occupied space if there are other tenants in the building.

Medical – Building with at least 75% of its space dedicated or intended for doctors and/or medical related offices. Includes owner-occupied and single tenant buildings if the owner/tenant is medical related.

Financial – Building with at least 75% of its space dedicated or intended for financial offices (banking, insurance, investment firm).

Government – Building with at least 75% of its space occupied by local/municipal, state, or federal government agencies. May be owned and/or operating by either public or private sector entities.

Corporate Facility – Owner occupied facility (owner must occupy at least 75% of the square footage). These participants are also encouraged to complete the attached corporate facility supplemental questionnaire.

Single-Purpose – Single tenant in a non-owner-occupied building (Sale leaseback type situation or leasing entire building).

Building Ownership Type:

Institutional Investor: Institutional Investors are organizations which pool large sums of money and invest those sums in companies. 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 that owns, and in most cases, operates income producing real estate. To avoid incurring a federal tax liability, REITs must pay out 90% of their taxable income in the form of dividends to investors. REITs can be publicly traded on major exchanges, public but not listed, or private.

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

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

Hospital: A hospital or healthcare organization whose primary business is to provide healthcare services.

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

Private Owner/Partnership/LLC: Entities that are organized as private partnerships or Limited Liability Corporations (LLC), according to the tax code.



Income Information Section

Office Rent: Office Rent includes rent payments under all lease agreements in this building (base rental); additional rent (pass-throughs and/or operating cost escalations), operating expense escalations, lease cancellations, and rent abatements.

1: Base Rent: The total minimum rent payments under all lease agreements in this building.

Additional Rent: Income received from the tenant per the lease agreement, generally come in two forms, Pass-throughs and/or Operating Cost Escalations.

2: Pass-throughs are normally costs that are 100% passed through to the tenant on a dollar for dollar basis equal to the landlord's expense. For example, the landlord pays \$1.00 per square foot for cleaning and they pass through \$1.00 per square foot in cleaning expenses to the tenant.

3: Operating Expense Escalations are calculated as the tenant's pro-rata share of total operating expenses above a predetermined base year amount or other negotiated amount.

4: Lease Cancellations: Amount of money that a tenant pays for the privilege of canceling their lease, usually based on a calculation of future rental payments due.

5: Rent Abatements: Free rent. Depending on the landlord's accounting system, it is usually shown as a contra-asset account to minimum or base rent.

Retail Rent: Base rent, common area maintenance (CAM), and percentage rent from sales in retail space in the office building. Includes retail tenant payment for services not provided for or included in the lease.

Other Area Rent: Rent received for other areas for items such as storage space, express mail service providers, sublease profit etc.

Telecom Income: Total income derived from providing access to telecommunication providers

1: Rooftop Income: Total income derived from telecommunication providers for roof-top access to the building.

2: Wire/Riser Access Income: Total income derived from telecommunication providers for wire access to the building.

Miscellaneous Income: Other Income includes gross parking income; tenant service income (for such things as afterhours HVAC, sub-metered electricity, etc.); and miscellaneous income (vending machines, signage, late charges, health club, etc.).

1: Gross Parking: Income received from parking facilities operations.



2: Tenant Service: Derived from services rendered to/for the tenants outside the scope of the lease; include such things as after-hours HVAC, sub-metered electricity, premiums for day time cleaning, repair/maintenance, security, and admin fees.

3: Other/Miscellaneous Income: All non-rental income. Include income from such things as vending machines, signage, late charges, interest, special events, health club, etc.

Expense Data Section

1: Cleaning Expenses: Cleaning expenses include all required items for both cleaning of offices, public areas, atriums, elevators, restrooms, and windows. Includes upkeep and ordinary expenses, as well as replacement of cleaning equipment and supplies. Does not include any expenses for machine rooms and other restricted access areas.

1: Payroll, Taxes, and Fringes: Payroll, taxes, and fringe benefits for directly employed cleaning personnel including salaried supervisors or project managers for interior and exterior cleaning services.

2: Routine Contracts: Routine cleaning expenses contracted to outside firms.

3: Window Washing: Cost of all contracted interior and exterior window-washing services.

4: Other Specialized Contracts: Includes all other cleaning services not covered by the routine contract service or window washing, such as drapery and carpet cleaning in tenant space and common areas etc.

5: Supplies/Materials: Includes ordinary cleaning supplies and materials, paper products, plus directly expensed upkeep or replacement of cleaning equipment, directly expensed tools/equipment and personnel uniforms, if not included in cleaning contract costs.

6: Trash Removal/Recycling: Includes all trash removal and recycling expenses, including medical and hazmat waste removal, consulting or trash brokerage services, and lamp and ballast recycling expenses.

7: Miscellaneous/Other: All other cleaning related expenses not captured above.

2. Repair/Maintenance Expenses: Include all expenses for elevators, HVAC, electrical, structural/roof, plumbing, and other building maintenance (including common areas, parking lots and general upkeep). Total payroll from individual item categories should be included in Payroll. Contract services and designated supplies should be included in individual item categories.

1: Payroll, Taxes and Fringes: Payroll, taxes, and fringe benefits for directly employed operating engineer and maintenance personnel, including salaried supervision such as a Chief Engineer or Engineering Operations Manager.

2: Elevator: Includes all elevator contract services, elevator contract administration fees, overtime



services, repairs, inspection fees, testing, elevator certificates, directly expensed tools/equipment, and supplies/materials/miscellaneous expenses.

3: HVAC: Includes all contract services for the building's HVAC systems, water treatment, and supplies/materials/miscellaneous expenses related to the building's heating and cooling systems.

4: Electrical: Includes all repairs and maintenance of the building's electrical systems, contract services, parts and equipment, and supplies/materials/miscellaneous expenses.

5: Structural/Roofing: Includes contract services, fees and supplies/materials/miscellaneous expenses.

6: Plumbing: Includes contract services, repairs, fees and supplies/materials/miscellaneous for domestic water and sewage services, including pumps and hot water heaters. Does not include piping for the mechanical system, sprinkler/standpipe system.

7: Fire/Life Safety: Includes sprinkler system and fire alarm system contract services, supplies/materials/miscellaneous, maintenance contracts, separate monitoring contracts, and testing fees.

8: General Building Interior: Includes directly expensed outlays for building interiors such as pest control, interior signage, painting, music, carpet repairs, and other interior repairs.

9: General Building Exterior: Includes directly expensed outlays for building exteriors such as exterior window replacement, painting, power washing, caulking, pavers, curbing, etc.

10: Parking Lot: Include costs of all contracted (or in-house) services for parking lot repairs and maintenance, if the parking is free to all tenants.

11: Miscellaneous: All other repair/maintenance related costs/expenses not captured above.

3. Utility Expenses: All utilities expensed to the building. Includes any energy that is sub-metered, even if you are receiving income for it; show the total expense, not the net expense after tenant reimbursement.

1: Total Electricity: Total HVAC-related electricity expenses and Total non-HVAC-related electricity expenses.

2: Gas: Total gross gas utility expense for the building.

3: Fuel Oil: Total gross fuel oil utility expense for the building.

4: Steam: Total gross purchased steam utility expense for the building. This is the cost of utilizing steam purchased from any outside source. Include the purchase of hot water expenses here as well.

5: Chilled Water: Total gross purchased chilled water utility expenses for the building.

6: Water/Sewer: Total gross water/sewer expenses for the building.



4. Roads/Grounds Expenses: Any expense related to exterior maintenance (exclude Parking Lot R&M) other than the building structure, such as landscaping, snow removal, site signage, site lighting etc.

1: Landscaping: Includes expenses associated with salaried employees such as payroll taxes and benefits, landscaping service contract, landscaping consultants, seasonal flower programs, irrigation system repairs, directly expensed tools/ equipment and supplies/materials/miscellaneous.

2: Snow Removal: Includes service contracts, directly expensed tools/equipment as well as supplies/materials/miscellaneous.

3: Miscellaneous/Other: All other supplies/materials/miscellaneous expenses not capture above as well as expenses associated with exterior lighting and signage.

5. Security Expenses: Security expenses are those related to the security of buildings. Those include payroll, benefits and taxes for directly employed security personnel; as well as expenses for contract employees. Also includes security equipment/systems, supplies and maintenance expenses associated with them.

1: Payroll: Payroll, taxes, and fringe benefits for directly employed security personnel.

2: Contracts: Total of all security related contracts; include both uniform guard service and access control and monitoring contracts.

3: Equipment: Includes all directly expensed security equipment/systems costs plus maintenance expenses associated with them and ordinary supplies necessary to operate a security program such as uniforms, batteries, control forms, access cards, security cameras etc. Also include Vehicle Lease; including cost of lease/vehicle and all associated maintenance for specific use by security personnel, including items such as a golf cart or security car.

4: Miscellaneous/Other: All other security expenses not captured above.

6: Administrative Expenses: Administrative expenses are those directly related to the administration of the building. This item can also include professional fees pertaining to the operation of the building, such as labor disputes and contractor agreements. Does not include legal costs pertaining to leasing nor should it include costs of owners' income tax work, partnership reporting requirements, or other non-operating accounting work. Does not include general maintenance/operation costs.

1: Payroll: Payroll, taxes, and fringe benefits for directly employed administrative personnel such as property manager, property administrator, and assistant property manager.

2: Management Fees: For a building managed under a management contract.

3: Professional Fees: Pertaining to the operation of the building, such as labor disputes and contractor agreements. Also includes accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements. Does not include legal costs pertaining to leasing nor should it include costs of owner's income tax work, partnership reporting requirements, or other non-operating accounting work.



4: General Office Expenses: General expense of running and maintaining the property management office; supplies, telephones, temporary office help, postage, equipment rental; dues/subscriptions, and errors and omissions insurance. Include “office rent” for the building manager’s office calculated at fair market value.

5: Employee Expenses: Includes travel and entertainment, training, and car allowances.

6: Miscellaneous/Other: All other administrative expenses not captured above; e.g. Concierge services, merchant association, fitness center, electronic directory maintenance contracts, dues, headhunter fees etc.

7. Fixed Expenses: Includes real estate taxes, personal property tax, other taxes, building insurance, and any related licenses, fees, and permits. Exclude any fixed expenses that are not operational-related such as ground rent, which is treated as a financial expense.

1: Real Estate Taxes: Total land and building real estate taxes.

2: Personal Property Tax: Total Personal Property Taxes.

3: Other Taxes: Includes any kind of annual or periodic or excise tax including sale and use tax. Payroll taxes should be included with the appropriate Payroll categories; do not include ground rent.

4: Building Insurance: All types of building insurance, including fire, boiler and other. Does not include errors and omissions (General Office Expense) insurance related to employee benefits or, in the case of corporate facilities, liability insurance that would normally be paid by tenants.

5: Licenses/Fees/Permits: Business license, fees, and permit expenses associated with the above taxes and insurance.

8: Directly Expensed Leasing Expenses: Expenditures directly related to the leasing of space within the building.

1: Payroll: Payroll, taxes, and fringe benefits for directly employed leasing personnel, if their time is not capitalized.

2: Fees and Commissions: Directly expensed (typically a lease of 1 year or less) leasing commissions and other fees paid to the leasing broker.

3: Advertising/Promotions: Costs for advertising and promoting building space.

4: Professional Fees: Legal and other fees incurred for leasing negotiations.

5: Tenant Improvements: Alteration expenditures made during the current year to retain current tenants or secure new tenants but did not result in a signed lease. Include the value of standard items supplied from building inventory and deduct all tenant contributions toward the alteration cost.

6: Other Leasing Costs: All other leasing costs not captured above. Includes costs of preparing documents and cash advances for moving expenses.



9. Amortized Leasing Expenses: Amortized leasing expenses are those not directly expensed. Depending on your accounting methods, report either directly expensed or the amortized value. Include all amortized leasing expenses on signed leases incurred during 2009 as well as any expenses incurred from previous leases that are scheduled to be amortized.

1: Fees and Commissions: Amortized (typically a lease of more than 1 year) leasing commissions and other fees paid to the leasing broker.

2: Tenant Improvements: Alteration expenditures made during the current year to retain current tenants or secure new tenants and resulted in a signed lease. Include the value of standard items supplied from building inventory and deduct all tenant contributions toward the alteration cost.

3: Other Leasing Costs: All other leasing costs not captured above. Includes costs of preparing documents and cash advances for moving expenses.

10. Total Parking Expenses (for Fee): Expenses directly connected with administration and operation of a fee-based parking facility(s). If the parking facility is operated directly by the building owner or manager, then expenses associated with cleaning, repairs/maintenance, utilities, and so forth should be recorded here. If the facility is operated on a net basis, then only the building owner's parking-related expenses should be reported. **If parking is "free" to all tenants, parking expenses should be reported under 49B and 47J.**

11. Total Telecom Expense: Total of all expenses incurred by the owner/manager associated with telecom income.