



## Rentable Vs. Usable Square Feet

When part or all of a space that was designated for one tenant becomes available and the space is divided among multiple tenants, the landlord is faced with a problem. The problem becomes how to divide the common areas, such as hallways and rest rooms, among two or more tenants—when there used to be only one tenant.

Thus, landlords will sometimes calculate and add on to the measurement a load factor: a number indicating a percentage of the whole entire space as compared to the spaces the tenants are actually occupying. The load factor in Lincoln is not uncommonly 12% to 20% *more* than the actual space leased to the tenant. It can even vary upward or downward from these numbers depending on how fancy or non-existent the common lobbies, hallways, common conference rooms, rest rooms, hall closets, etc. are.

If a tenant objects to paying for rentable square feet and insists on paying for useable square feet only, the landlord will probably have to charge a higher price per square foot. The monthly rent to the landlord is still going to be the same. Thus, the important questions are really whether or not the furniture fits and is the monthly rent is affordable.

When measuring a tenant's space, the question sometimes arises: Do I measure from the window, or from the wall? The answer is, whichever portion is dominant. Another common question is, Do I count the pillars? The answer is yes, because the space can't be leased without support pillars!

Gross square feet means that the building was measured outside wall to outside wall. It makes no deductions for anything. This method is primarily used by tax assessors, but is convenient for Realtors to use and may sometimes be the type of measurement that appears on the marketing materials.