

# New Standards For Measuring Office Space: Who Will Really Benefit?

Jason Hughes

Later this month the International Property Measurement Standards Coalition is scheduled to announce a single measurement system for the global office market. Theoretically, this will combat discrepancies in the ways that office space is measured, and level the playing field for landlords and tenants. Sounds great, right?

According to the Wall Street Journal:

*“The Standards Coalition was formed in 2013 by a group of international property organizations including the Royal Institution of Chartered Surveyors in the U.K., the Building Owners and Managers Association in the U.S. and the International Monetary Fund. The move was partly in response to increasing pressure from large global tenants that are frustrated by the numerous measurement systems.”*

At first glance, this may look like a proposal that would benefit tenants. However, upon examining the founding

members of this organization, (see: “international property organizations”) something seems a little fishy. Considering the fact that the commercial real estate industry has been designed to cater to big landlords for decades, it seems unlikely that the Building Owners and Managers Association (BOMA) is going to do an about face and begin measuring in a standard that would cause landlords to lose money. So even though this international standard might be more convenient for “large global tenants,” it’s undoubtedly going to cost small tenants.

After all, the commercial real estate industry has favored landlords since the beginning of time. Proof can be seen in the fact that office space has somehow magically grown 20% over the last decade, without a single inch of expansion done to the space.

Today it is not uncommon for measurements to span from the exteriors of walls to exteriors of walls, for example. (There is no accounting for the fact that hundreds of square feet are absolutely unusable, because they



**Jason Hughes, President & CEO,  
Hughes Marino**

are reinforced concrete, steel, brick, etc.). Other landlords have the luxury of padding the price per square foot by tacking on additional charges for lobby space, restrooms, hallways and more. Indeed, landlords measure their buildings however they want, and the tenants are at the mercy of those measurements.



*A new global standard for measuring office space is in the works, which is likely to benefit landlords over tenants....*

My hunch is that the same culprits, who have turned 10,000 square foot offices into 12,000 square foot offices overnight, are probably not going to intentionally decrease their own margins.

Of course stranger things have happened, but after decades of advocating exclusively on behalf of tenants, I have to say that BOMA isn't likely to approve any standard that involves re-measuring space downwards. Instead, I predict that these new "standards" are going to once again benefit landlords at the expense of small businesses, and hardworking tenants.

Unfortunately, there isn't yet an equivalent commercial tenants association to rival BOMA by using their

collective weight to demand fairness. But I think that precisely that type of organization is sure to appear on the horizon very soon. In the meantime, check back regularly for updates on the new standards.

*Jason Hughes is President and CEO of Hughes Marino, a Southern California commercial real estate company specializing in tenant representation and building purchases. Contact Jason direct at (949) 333-3111 or [jason@hughesmarino.com](mailto:jason@hughesmarino.com) to learn more.*