Office Building Parking Ratios- Often Overstated

Office space occupants are getting more and more efficient, which is good for the corporation's bottom line, but a big challenge for the company's CRE team and landlord's alike. The average parking ratio across all classes of offices buildings, nationwide is 3.12 cars per 1,000 rentable square feet of space. Today's most efficient space users are occupying at north of 6.2 employees per 1,000 rentable square feet! This makes the "effective availability" of viable space options considerably smaller than it appears.

A "parking audit" should be part of every company's CRE process. The audit should include:

- ❖ An independent count, by someone on the tenant's team, of parking spaces at buildings you are considering (parking ratios are regularly over stated and "rounded up" by leasing reps and landlords).
- ❖ An audit of other significant tenant's in the building's parking usage and hours of operation.
- ❖ A parking cost assessment. In markets/ buildings where parking is paid for outside of the rent, these costs can add several dollars per square foot to your cost of space. Same goes for covered and reserved spaces that have a separate cost associated with them.
- ❖ A review of access points and traffic flow in and out of the building at various times of day, including both "rush hours".
- ❖ Carefully check the condition of the parking lots at buildings that you are considering. Not only is this a sign of how the landlord takes care of the property, but it could also lead to large, unanticipated Capex Pass Through charges.

> *Does your company's site selection process need an upgrade?*
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> *Call Mike for a free consultation.*

Mike Maroon, SIOR is the Managing Partner of The Acclaim Group, a leading real estate adviser to corporations locally, nationally and globally.