The Ultimate Guide to

Finding New Office Space

by TENANTBASE

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Like most things in life, planning ahead when looking for new office space can greatly improve your chances for success.

Given the many different factors involved, including everything from location and parking to financial matters and amenities, adopting a deliberate approach will save you time, effort, and frustration throughout your search.

TenantBase understands the importance of your office space and the challenges you face during your search. To that point, we've prepared this Ultimate Guide to Finding New Office Space to maximize the efficiency and effectiveness of your efforts.

General Planning Points

How Much Space Will You Need?

A good rule of thumb is about 200 square feet per employee. This will vary with an open office space concept which requires less space per employee (100-150 sf).

With a more traditional executive type offices you will want to factor in a little more per employee (around 250 sf). Any additional rooms/common space you will need to take into consideration as well: conference room, reception area, and kitchen.

Use an office space calculator to break down and put together your ideal space and break down the square footage.

While finding space to meet your organization's current needs is obviously important, you must also look down the road and try to see what you might need a few years from now.

For instance, in terms of straightforward square footage, know how much you'll need now as well as 3 years from now before your search begins. This simple exercise can help you immediately eliminate ill-fitting space in your search and save valuable time.

Figure Out Your Financials!

Likewise, taking a similar approach with financials can also save time and frustration. Understand how much space you can afford now as well as what your budget can accommodate over the lease term. In your estimates, be certain to take other costs like parking, furniture, and internet into account.

Be sure that your company is not left cash poor by the move-in with your first month rent payment, security deposit, and any other initial cash outlays.

While analyzing your finances, gather your P&L, tax returns, and balance sheet to demonstrate your ability to perform under the new lease. Not taking the time to figure out your financials, provide documentation, and demonstrate ability to pay can make getting the space you want infinitely more challenging, if not impossible.

Decide on an Office Type

Of course, aside from square footage and financial impact, there are several other criteria that can help guide your search. Choosing between your own space and shared space as well as understanding the different types of spaces – ranging from coworking or executive suites and industrial sites like warehouses to medical buildings and traditional or creative spaces – are all important criteria in your planning. Decide on which office type fits your organization best:

Which Office Type Fits Your Organization Best?

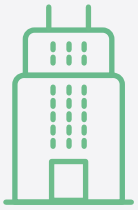
Coworking

Industrial/ warehouse

Executive Suite

Traditional Office Space

Creative Office Space



Medical Office Space

Determine What Location is Best

Location is another critical factor in determining which available space suit you best.

Although restricting your search to a specific neighborhood or suburb can drastically reduce the number of options available, it could also be beneficial if the majority of your employees, clients, and customers come from that particular area or the area provides important factors for you culture.

Depending on the nature of your business, the location of your space could also be important for visiting clients or vendors. The more often they visit, the more weight this factor should carry in your choice of space.

If your staff is sales-oriented, they might spend the majority of their time outside of the office so getting to and from the office would be a critical factor for them.

Office Design is More Important Than You Think

No matter the nature of your business, however, always remember appearance and general design of the office building has the ability to add value to your company, impacting your culture, operational efficiency and collaboration which can all impact the bottom line.

Similarly, other factors like security, ample parking, and routine maintenance are other important considerations that can both add additional value as well as improve employee satisfaction rates.

Amenities & Infrastructure

Lastly, understand what amenities and infrastructure components you will need before starting your search.

This would include internet demands, office furniture, kitchen facilities, and any other specific amenities like a workout facility or common area.

Searching for Space

Once you've completed the planning process, it is time to begin the search for your new office space.

This process should typically begin 3 to 12 months before your planned move. If you do not have that kind of lead time, do not worry, you can find and lease space much faster but it is highly recommend you start by planning ahead.

Connecting with a commercial real estate expert like your local TenantBase advisor can help you quickly find suitable choices and negotiate lease terms that work in your best interest and not those of a landlord or third-party.

For each property you might be interested in, familiarize yourself with the terminology used in describing office space to make your conversations as efficient and clear as possible.

Likewise, understanding lease terminology is equally as important to make certain you're fully aware of any and all financial ramifications and requirements. When the time comes, you will want to include both a commercial real estate advisor and a legal representative to make sure you lease is properly reviewed.

Taking Office Space Tours

Hopefully, your planning and initial search have been beneficial in finding a handful of different spaces that suit your needs well.

The next step is to take tours of those different spaces to further narrow down your choices and ultimately find your new office space. As with the previous steps, taking an organized and deliberate approach will maximize the benefits of your office tours.

When beginning your tours, try to maintain a focused mindset understanding that finding a space the meets all of your requirements is the goal but it is important to factor in the market conditions and current inventory as part of your selection process.

Download our Office Space Tour Checklist and have it available for every tour to make sure you ask all pertinent questions and get any needed information.

Taking pictures of the office building, the prospective space, amenities, and anything else that plays a role in your decision will be beneficial to both you and the other decision-makers within your office once the tour is complete.

In fact, taking other team members with you for your tours can provide much-needed perspective to ensure your choice suits the whole company.

Likewise, bringing the decision-makers within your company can also expedite the entire process.

If you plan to tour solo, don't worry, the TenantBase platform allows for seamless sharing of details and pictures with the other key decision makers in the company.

Make the touring process as efficient as possible for both you and others you bring along and only tour spaces that meet your specific needs.

While you still want to be certain you tour multiple properties, don't bog down your decision with excessive and unnecessary tours of spaces that don't suit you well.

Also, take careful note of the condition of each empty space and use it as an indicator of general maintenance standards and how you will be treated if you choose a particular space.

Negotiating the Terms

All financial decisions, including office space leases, inherently have some risk involved so be informed and ask plenty of questions while negotiating.

Have your financials in order ahead of time and know what range of lease is affordable to you before beginning any negotiations. Any flexibility you might have in lease terms could provide you leverage in terms of pricing as landlords are often willing to provide perks if you're willing to sign a longer-term lease. Of course, in doing so, make certain that the trade-off is appropriate for your organization.

Typically people think that a commercial real estate advisor is most valuable during the office search, but it is actually during the negotiating process where they will add the most value. While negotiating, be sure to rely on a local commercial real estate advisor to help you navigate the process and maximize the business wins in your lease.

There are many ways to improve the business terms of a lease

including base rental rate, free rent, tenant improvement allowance, free parking, maintenance, and many other provisions to mitigate cost in occupying the space.

Conversely, avoid making common lease negotiation mistakes that pertain to early possession, calculation of operating expenses, relocation, the right to holdover, and other important factors. Lastly, as with any financial transaction, always be certain to get everything in writing to protect your organization's best interests throughout the lease term.

As you finalize the process, it is important to remember that real estate brokers or agents are not attorneys and cannot provide legal advice. For this reason it is key that you have an attorney review your lease for your business to ensure you are protected properly.

Moving In

When you have chosen a space that suits you well, create a schedule and timeline for your move, planning well in advance in order to keep your move on track.

Leave room in your moving budget to hire movers and packers to both pack and move all of your office items and be certain to update your new address with all your clients, vendors, business listings, and anyone else your organization has contact with.

As a final step before your move, create a blueprint that details the location for all of your office furniture, equipment, and employee seating to make the transition as smooth as possible.

Now You're Ready to Find a New Office Space!

Choosing new office space does not have to be a daunting process if you maintain a focused, well-organized approach throughout your initial planning, search, office tours, and move-in.

At TenantBase, were always striving to help you find the office space that is ideal for your organization and best equips it for a productive and prosperous future.

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Find Your Office Space