

# Glossary

**A** B C D E F G H I J K L M N O P Q R S T U V W X Y Z

## A

**Active Demand Status:** A company that is actively in the market looking for space to occupy.

**Agency Broker Company:** Brokerage firm that represented the landlord/building.

**Airport retail:** consolidation of retail stores located within a commercial airport

**Amount (Dollar):** Rental rate escalations in which the tenant's rental rate increases each year by an agreed upon dollar amount from the preceding year's rental rate.

**Amps:** The basic flow of electrons in a conductor is called current. The basic unit of electrical current is measured in Amperes, aka Amps. Any service rated over 800 amps is typically heavy industrial buildings.

**Anchor tenant:** large national or regional retailer that serves as a primary draw for a shopping center; enhances, brings attention to, or increases traffic at the property (~25,000 s.f.)

**Annual:** Escalations to a tenant's rental rate are made annually

**Area Industrial:** The total amount of industrial space leased.

**Area Office:** The total amount of office space leased.

**Area Retail:** The total amount of retail space leased.

**Area Total:** The total area leased.

**Asking Rent:** For retail and industrial properties, rent is a weighted average quoted as monthly NNN rent per square foot. Office properties are a weighted average quoted as monthly gross rent per square foot. For apartment properties, rent is a weighted average quoted as monthly gross rent per unit.

**At Grade:** Docks at the level of the ground at the building

**Atrium Core Type:** A building in which a building's construction is centered around an atrium and the core is built into the building's atrium.

**Availability:** A measurement expressed as a percentage of the total amount of available space divided by the total amount of Rentable Building Area (can be Direct Available or Sublet Available space, or the sum of both). Availability may be calculated at the property or geography level. Space being built is not included in Availability calculations.

**Availability rate:** ratio of available space to total rentable space (total available s.f. / total rentable s.f.)

**Average Floor Plate:** Average size of the typical floor in a building, expressed in square feet.

## B

**Blend and Extend:** This is a type of lease renewal that typically occurs in a tenant favorable market. The tenant may have some time left on their existing lease with a rent that is higher than the current market rent. A Blend and Extend lease allows the tenant to sign a new lease for a longer term and reduce the current lease rate. The tenant benefits by an immediate reduction in their rental rate and the landlord benefits by securing the tenant for a longer term.

**Brick and mortar retailers:** retailers with physical stores

**BTS-Ground Up:** New construction that is designed for a specific tenant, but not owned by the tenant, and the tenant will occupy 75%+ of the building.

**BTS Redevelopment:** Redevelopment of an existing building that is designed for a specific tenant, but not owned by the tenant, and the tenant will occupy 75%+ of the building.

# Glossary

A **B** C D E F G H I J K L M N O P Q R S T U V W X Y Z

**Building Core:** The central or arterial part of a multistory building that integrates functions and service needs for established occupants. Such areas are normally composed of toilet facilities, elevator banks, janitors' closet, utilities, mechanical facilities, smoke shafts and stair.

**Building Operations:** The day-to-day operations of a building. General responsibilities are to manage the structural integrity of the building, manage any construction that takes place in the facility, as well as manage the workers involved in the construction, maintenance staff, cleaning crews, etc.

**Bulk/General Warehouse:** An industrial property with clear ceiling heights equal to or greater than 22 feet for buildings larger than 100,000 square feet (and a minimum of 18 feet for facilities under 100,000 square feet)—high bay, dock-high doors and less than 10-15% office build-out. The door-to-square-footage ratio is generally 10%.

**C**

**Campus:** The grounds and buildings of a university, college, or school.

**Capitalization (cap) rate:** A method of determining the market value of a property. It is defined as stabilized NOI (most commonly, at the first full-year following the acquisition) divided by property value (purchase price).

**Capacity (tons):** Crane tonnage is the amount of weight the crane can handle, measured in tons ranging from high to low.

**Category killers:** stores that offer tremendous selection in a particular merchandise category at low prices

**Center Core Type:** A building in which the core of the building is located within the center of a building's construction.

**Cinder Block:** A lightweight building brick made from small cinders mixed with sand and cement

**Clear Height:** The distance measured from the top of the finished floor to the lowest part of the roof structure. These heights will vary from building to building as they are used to measure the vertical capacity of a building for storage and/or placement of equipment.

**Clicks to bricks:** retailers who began as an online retailer only that has expanded to brick-and-mortar locations

**Climate Controlled:** A lot of industrial buildings need to be climate controlled, meaning the temperature and humidity are regulated by a heating and cooling system.

**Cold Storage:** An installation intended for the cooling, freezing and cold storage of food products and other perishables.

**Column Spacing:** Typically the minimum width and depth between columns found within an industrial building.

**Commencement Date:** The date a lease transaction (or term) begins.

**Common Area Maintenance:** Charges that are one of the net charges billed to tenants in a commercial triple net lease, and are paid by tenants to the landlord of a commercial property.

**Community center:** general merchandise or convenience-oriented offerings

**Commuter Rail Service:** A public, passenger rail transport that primarily operates as a mode of transportation from the middle and outer suburbs (sometimes beyond) that brings a large number of commuters into the city center.

**Company** A company is an association or collection of individuals, whether natural persons, legal persons, or a mixture of both. Company members share a common purpose and unite in order to focus their various talents and organize their collectively available skills or resources to achieve specific, declared goals.

**Complete Demand Status:** A company has completed their search for space to occupy and no longer has an open space requirement in the market.

# Glossary

A B **C** D E F G H I J K L M N O P Q R S T U V W X Y Z

**Condo:** Individual office units for sale in a multi-tenant office building. This property type is not included in the statistical office inventory.

**Construction Starts:** The total number of buildings or square feet where construction has been initiated as defined by the actual ground breaking.

**Convenience goods:** food, drugs, toiletries, cards, flowers. Meet the day-to-day needs of the immediate area.

**Conversion:** A general term applied to the change in usage of space. Space being converted is removed from current inventory and included in the under construction statistics for its planned use. (Example: An office building being converted to an apartment will be removed from current office inventory and included in the total of apartment space under construction.)

**Corefactor (loss factor):** When calculated, this ratio is the amount of space that is un-usable on a floor or in a building. It is defined as the percentage difference between rentable area — the number of square feet that office tenants pay for — and usable area. A building with a rentable area of 400,000 square feet and a usable area of 300,000 square feet, for example, has a **loss factor** of 25 percent.

(Rentable Area minus Usable Area) divided by Rentable Area |  $(400,000 - 300,000) / 400,000 = 0.25$  (25% loss factor)

**Cranes:** Machinery used for loading, unloading and moving heavy loads through an industrial building.

**Credit rating:** an estimate of the ability of a person or organization to fulfill their financial commitments, based on previous dealings. Affects a retailers desirability for landlords

**Cross Docks:** Refer to loading docks on both sides of the building so material/freight can be easily moved from one truck to another. Typically found on truck terminals and large distribution facilities.

## D

**Data Centers:** A building which is used to house computer systems and associated components, such as telecommunications and storage systems.

**Dead Demand Status:** A company that has decided not to continued to search for space to occupy in the market. Could be because they have decided on a different geography or called of their search because of a business decision.

**Deliveries:** buildings that complete construction during a specified period of time.

**Demand Status:** The status in which a Tenant in the Market is currently in.

**Demolished:** Building has been completed razed or converted to a different property type

**Direct Available:** Direct Available space refers to all space being offered for lease by the landlord or owner. It includes space regardless of whether the space is vacant, occupied or available at a future date.

**Direct Net Absorption:** The net change in direct occupied space in a given market between the current measurement period and the last measurement period. Net absorption can be either positive or negative and must include decreases as well as increases in inventory levels.

**Direct space:** space that is being offered for lease directly from the landlord or owner of a building

Sublease space (sublet space): space that has been leased by a tenant and is being offered for lease back to the market by the tenant

**Direct Vacant:** Direct Vacant space refers to all space not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Direct Vacant space could be space that is either available or not available.

# Glossary

ABC **D E F** G H I J K L M N O P Q R S T U V W X Y Z

**Distribution/Air Cargo/Parcel:** Hubs where multiple smaller shipments are consolidated to full-truckloads or to airplanes, so that economies of transportation are gained. The sortation process is fully automated in modern facilities (e.g. an enclosed loop conveyer belt). Class A or B product would have a minimum clear height of 16-18 feet (nuance from Class methodology). The building classification is largely determined by operations within the facility. Door-to-square-footage ratio (13-15%) is generally higher than bulk/general warehouse. Also, the office build-out is slightly higher as well (<15-20%). Includes a truck turning radius to 120-130 feet.

**Docks:** Platforms that are level with a truck to allow for loading/unloading of inventory from a truck

**Drive Ins:** A grade-level entrance to the building that allows trucks to drive into, through or back into the entrance of a building.

**Dry:** Water is not in the sprinkler pipes; a shut-off valve with a pump regulator controls the water pressure

## E

**Early Termination Option:** A clause in a lease that outlines the terms for terminating a lease agreement prior to its expiration date. The early termination option appears as a covenant in the original lease and provides specifications under which the leaseholder can terminate its lease prior to the lease's original expiration date. Most termination options must be exercised by a specified date, after which point the option expires.

**Energy Efficiency:** Efficient energy use, sometimes simply called energy efficiency, is the goal to reduce the amount of energy required to provide products and services.

**Energy Star:** ENERGY STAR is a government-led rating system developed by the Environmental Protection Agency. To be eligible for ENERGY STAR certification, a building must earn an ENERGY STAR score of 75 or higher, indicating that it performs better than at least 75 percent of similar buildings nationwide. Energy Star ratings are reassessed annually. To learn more please visit [www.energystar.gov](http://www.energystar.gov)

**Escalations:** Increases to a tenant's base rental rate. Typically stated as annual rental rate increases and agreed upon during leasing negotiations. May be stated as either a percentage increase or a dollar increase.

**ESFR:** Early Suppression Fast Response sprinkler system that will concentrate releasing water only where it senses a fire.

**Estimated Occupancy Date:** The quarter and year in which the tenant is estimated to take occupancy of their space in the market.

**Expansion:** This lease represents a tenant expanding an existing lease in the same building with additional square footage.

**Execution Date:** The date a lease transaction is signed.

**Existing:** Building has received certificate of occupancy (COO)

**Expiration Date:** The date a lease transaction on a specific space and for a specific tenant ends.

**Exurban:** A semirural region lying just beyond the suburbs of a city. It is often inhabited by well-to-do families.

## E

**Factory outlet:** manufactures' and retailers' outlet stores selling brand-name goods at a discount

**Fast casual restaurant:** restaurant that does not offer full table service but promises higher quality food than fast food restaurants. Examples include: Chipotle, Five Guys, Panera

**First Year Rent (contract rent):** The dollar amount of the rental obligation specified in the lease. Also called Face Rent

**Flex/R&D:** As its name suggests, a type of Industrial building designed to allow its occupants flexibility of alternative uses of the space, usually in an industrial park setting. Specialized Flex/R&D buildings include service center/showroom properties.

**Floor Contiguous Area:** Divided spaces over one floor or connecting floors that can combine so a tenant in the building can rent them all simultaneously.

# Glossary

A B C D E **F** G H I J K L M N O P Q R S T U V W X Y Z

**Food Processing:** A facility used for processing of food goods. These buildings may or may not have cold storage or freezer space. Typically uses include bakeries, canneries, frozen foods, and dry foods.

**For Lease:** Available to lease from the property owner.

**For Sale:** Available for sale to own

**Free Rent:** Also known as rent abatement. A concession provided by the landlord in which a tenant is given free rent months, or is not obligated to pay rent during those free months. Free rent typically occurs at the beginning of a lease, but may sometimes occur during specified intervals during the lease term. In some cases, free rent is provided to tenants while their space is under construction for occupancy.

**Freestanding:** Standing or operating independently of anything else.

**Frequency:** The frequency with which a tenant's rental rate is increased. May be annual or stepped at an agreed upon schedule within the lease.

**Full Service Gross:** Rent type where all costs of operation are paid by the landlord up to a base year or expense stop. In some parts of the U.S., this rent basis is called Full Service Gross. This is the basis used for reporting national office rents.

**Full service retail rate:** rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance

## G

**Gas:** Gas is needed to run an industrial furnace

**General retail:** typically a single tenant freestanding general-purpose commercial buildings with parking

**Glass:** Glass has many different uses in architecture and construction. It is used in the covering of walls, and in facing and decoration of stairways and other parts of buildings. Construction glass also includes heat-insulating and soundproofing materials (foam glass, glass wool), as well as glass tubing.

**Glass Curtain Wall:** An aluminum-framed wall, containing in-fills of glass. The framing is attached to the building structure and does not carry the floor or roof loads of the building

**Government:** A building which is owned by public sector agencies.

**Green Globes:** The Green Globe certification is a structured assessment of the sustainability performance of travel and tourism businesses and their supply chain partners. The Green Globe Standard includes 44 core criteria supported by over 380 compliance indicators. The applicable indicators vary by type of certification, geographical area as well as local factors. The entire Green Globe Standard is reviewed and updated twice per calendar year. To learn more please visit [www.greenglobe.com](http://www.greenglobe.com)

**Gross Absorption:** A measure of the total square feet leased over a specified period with no consideration given to space vacated in the same area during the same time period. Sublet space and lease renewals are not factored into gross absorption.

**Gross Building Area:** The total floor area of a building usually measured from its outside walls.

**GLA:** ground leasable area

**RBA:** total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Growing Tenant Strategy:** A tenant that is actively looking for a space that is larger than their existing space within the market.

# Glossary

A B C D E F G **H** I J K **L** M N O P Q R S T U V W X Y Z

## H

**Heavy Manufacturing:** Heavy Manufacturing requires a lot of machinery and equipment to produce; such as oil, mining, shipbuilding, steel, chemicals, and machinery manufacturing.

**High-Rise:** A building with 20 to 39 stories.

**Hook Height:** On a crane, it is measured by the distance from the floor to the bottom of the hook when the hook is all the way up.

## I

**Improvement Allowance (TI):** An agreed upon dollar amount that is provided by the landlord to the tenant for the build-out of their leased space. Is stated as a dollar amount per square foot., ie: \$50.00 p.s.f.

**In Building Above Grade:** Parking that is typically part of office building and above grade.

**Inactive / On Hold Demand Status:** A company that has put their search for space to occupy on hold for any reason.

**Incubator:** This type of building is the smallest of the group and is typically used by startup industrial companies. They typically have grade level doors but no dock high doors and clear heights are 10' – 12'.

**Industrial:** A facility in which the space is used primarily for research, development, service, production, storage or distribution of goods and which may also include some office space. Industrial buildings are further divided into three primary classifications: manufacturing, warehouse and flex buildings.

**Industry:** Is a designated grouping in which a company produces goods and services.

**Inline store:** a retail outlet placed contiguous to neighboring retailers such that their frontages are in a straight line

**Inside Docks:** Docks on the interior of the building

**Insurance:** Building insurance is coverage purchased to protect financial risks because of a loss or damage to physical structures

**Investor:** Someone who provides (or invests) money or resources for an enterprise, such as a building, with the expectation of financial or other gain.

**Is Entire Floor:** A lease in which the tenant occupies the entire floor.

**Is Multi-Floor:** A lease in which the tenant occupies multiple floors.

## J

## K

## L

**Leased:** Space has a signed lease from a tenant.

**Leased Space:** A contract granting use of a space during a specified period in exchange for a specified rent or other form of payment.

**Lease Transaction:** A transaction in which an individual or party (tenant) contractually agrees to lease a specified amount of space, denoted in square feet, from a landlord or leasing agent on behalf of a building's owner or from the owner himself. In a lease transaction, both parties contractually agree to a rental rate, concessions, and lease term, among other various covenants and rights.

**LEED:** **LEED** (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. Available for virtually all building project types, from new construction to interior fit-outs and operation & maintenance, LEED provides a framework that project teams can apply to create healthy, highly efficient, and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement. To learn more visit [www.usgbc.org](http://www.usgbc.org)

**Lifestyle center:** upscale national-chain specialty stores with dining and entertainment. Main street concept shopping center

# Glossary

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

**Load factor:** Commonly confused with **loss factor**, the load factor on a building or floor calculates how much larger the rentable area is compared to the usable area. A building with a rentable area of 400,000 square feet and a usable area of 300,000 square feet, for example, has a **load factor** of 33 percent.

(Rentable Area minus Usable Area) divided by Usable Area |  $(400,000 - 300,000) / 300,000 = 0.33$  (33% load factor)

**Low-Rise:** A building with 2 to 9 stories.

## M

**Malls:** retail property type that includes super regional malls, regional malls, lifestyle centers

**Manufacturing:** Buildings designed to house specialized equipment used to produce goods or materials.

**Masonry (Brick and Block):** Block, brick or tile building units of molded concrete (in a large rectangular shape) laid by masons in a wall

**Master Lease:** A primary lease that controls subsequent leases and which may cover more property than subsequent leases. An Executive Suite operation is a good example in that a primary lease is signed with the landlord and then individual offices within the leased premises are leased to other individuals or companies.

**Market:** The largest geography that represents your market

**Market Entry:** The quarter and year in which the tenant began their search to occupy space in that market.

**MDA:** The metropolitan division of your market – not every market has an MDA

**Medical:** A building which consists of 90% or greater medical tenancy.

**Metal Panel:** Can be used as an alternative solution for either walls or roofs. They are highly energy efficient and add an attractive linear definition to large structures.

**Micromarket:** A small geographic area within a submarket that is generally recognized as a smaller neighborhood with like type buildings

**Mid-Rise:** A building with 10 to 19 stories.

**Mixed Use:** An income-producing property that comprises multiple non-office uses (25 %+ ) within a single site or building such as retail, residential or hospitality facilities. (Should be included in statistical supply if the office component exceeds 25%+ and meets the size threshold for you market).

**Modified Gross:** This rent type is represented by any arrangement whereby the tenant pays one or more of the expenses covered by the landlord in a Full Service lease, but not all of the expenses as in a Triple Net lease. Modified Gross leases cover a range of lease types and terminologies used in various markets around the nation. Some of the more common are: Industrial Gross, Single Net and Double Net. The definitions of these bases vary from market to market depending on the expenses they include or exclude.

**Move-in Date:** The date a tenant moves into its leased premises. The commencement date and move-in date are often the same for tenants. There are situations in which tenants choose to make extensive improvements to the space once their lease commences, in which case occupancy (move-in) is delayed until improvements to the space are complete.

**MSA:** The metropolitan statistical area of your market

**Multi-Tenancy:** A building for which there are two or more leases obligations and the owner occupies less than 75% of the building (office properties only).

**Multi-Tenant:** The loss factor for a multi-tenant building or floor is usually higher than that of a single tenant building or floor because the size of common and un-usable areas increases with the separation of suites and the increase in common areas (hallways and corridors).



# Glossary

A B C D E F G H I J K L M **N O P** Q R S T U V W X Y Z

## **N**

**Neighborhood center:** convenience-oriented

**Net absorption:** net change in occupied space over a given period of time.

**New:** The space has never been leased before, it is new.

**New to Market:** This lease represents a tenant that is new to the geographic market

**NNN:** Rent type where the tenant pays taxes, maintenance and property insurance and all costs associated with their occupancy, including personal property taxes, janitorial services and all utility costs. The landlord is responsible for the roof and the structure and sometimes the parking lot.

**Non-Owner Occupied:** The property is occupied by 1 or more tenants (the owner may occupy less than 25% of the building).

## **O**

**Occupied Space:** The square footage of space that is physically occupied by a tenant. It does not include space that is under a lease obligation, where the tenant does not actually occupy the space.

**Off Center Core Type:** A building in which the core of the building is located off-center within a building's construction.

**Offered:** The building is being offered for sale.

**Office:** A property providing environments conducive to the performance of management and administrative activities, accounting, marketing, information processing, consulting, human resources management, financial and insurance services, educational and medical services and other professional services. At least 75% of the interior space is designed and finished to accommodate office usage but the space may include other usage.

**Office Park:** A commercial complex consisting of an office building set in parklike surroundings, often with such facilities as parking lots, restaurant, and recreational areas

**Operating Expenses:** The costs associated with a company's main operating activities and which are reported on its income statement.

**Options:** Landlord provided options within a lease agreement

**Owner Built:** Building designed and developed for the owner's own occupancy.

**Owner Occupied:** The property is 75%+ occupied by its owner.

## **P**

**Parent Company:** A Parent Company is the main company with subsidiaries under it. For example JLL would be the parent company of LaSalle.

**Parcel Size:** Size of land area under single ownership, usually expressed in acres.

**Parking Ratio:** A ratio that compares the number of parking spaces to either the size of the building or the size of a specific lease. Terms are expressed as a number of parking spaces to each 1,000 square feet.

le:  $(\# \text{ of parking spaces} \times 1,000) / \text{rentable building area or total leased area}$

**Percent:** Rental rate escalations in which the tenant's rental rate increases each year by an agreed upon percent of the preceding year's rental rate.

**Personal services:** dry cleaning, banking, package shipping, hair and nail care, shoe repair. Meet the day-to-day needs of the immediate area.

**Phase/Wire:** Phase is splitting of the volts. Wire is how many splits. Example: 3-Phase, 3-Wire. Commercial services require a 4-wire service to carry the great amount of Amps and Volts requested by the end user for the type of equipment to be operated.

**Power center:** several freestanding (unconnected) anchors and a minimum amount of small specialty tenants



# Glossary

A B C D E F G H I J K L M N O **P Q R** S T U V W X Y Z

**Precast Concrete (Tilt-up):** Tilt-up construction is special form of precast concrete construction. The technique is used for constructing buildings by prefabricating concrete wall sections in a horizontal position on either the building's floor slab or on a temporary casting slab.

**Preleased:** a lease on a building that is offered or signed before construction has begun.

**Prime:** This represents the top 10% of the skyline buildings in your market. These are institutional quality buildings with the highest level of finishes and the largest amenity set.

**Prime urban retail corridor:** existing or emerging retail corridor, not developed as part of a master development, distinguished by a density of national brands

Existing prime urban corridors: distinguished by the presence of high street and concentration of high credit national tenants

Emerging prime urban corridors: including tenants of varying credit profiles. May be distinguished by the density of local retailers/restaurants and the expanding presence of national brands

**Propane:** Many industrial buildings use propane for space heating, cooling, and lighting.

**Proposed Long-Term:** The status of a building that has been announced for development with construction commencing in 18+ months

**Proposed Short-Term:** The status of a building that has been announced for development with construction commencing within 18 months or less.

## Q

**QSR (quick service restaurant):** fast food cuisine and minimal table service

## R

**Rail:** Some industrial buildings have rail cars that can be directly pulled up to the building at dock which are designed for loading and unloading goods to and from the cars.

**Rail Spur:** An industrial rail spur is a type of secondary track used by railroads to allow customers at a location to load and unload railcars without interfering with other railroad operations.

**Ratio Building:** A parking ratio that compares the number of parking spaces against the total rentable building area of a building.

**Ratio Lease:** A parking ratio that compares the number of parking spaces against the total leased area of a tenant's lease agreement.

**Regional mall:** General merchandise or fashion-oriented offerings. Enclosed with inward-facing stores connected by a common walkway. Parking around perimeter.

**Relet Space:** A landlord relets a space by having a new tenant sign an entirely new lease, thus voiding the original lease, and releasing the original tenant from his or her obligations.

**Relocation:** This lease represents an existing tenant in a geography moving from one building to another.

**Renewal:** This lease represents a tenant renewing an existing lease in the same building – usually it is for the same square footage as the previous lease.

**Renewal Option:** A clause in a lease that outlines the terms for renewing or extending an original lease agreement. The renewal option appears as a covenant in the original lease and provides specifications under which the leaseholder can renew or extend the original lease term for an additional, specified time and rate (rent). Most renewal options must be exercised by a specified date, after which point the option expires.

# Glossary

A B C D E F G H I J K L M N O P Q **R** S T U V W X Y Z

**Rent Average:** Every area has a rent average that helps establish rental costs

**Rent Effective (net effective):** The actual rental rate that the landlord achieves after deducting the concession value from base rental rate a tenant pays

**Rent Spread Percentage:** Percentage rent is a form of rent paid in addition to, or in lieu of, base or minimum rent.

**Rentable Building Area (RBA):** This is an approved BOMA (Building Owners and Managers Association) method that includes the tenant's suite plus a prorated portion of all interior common areas excluding major vertical penetrations such as elevator shafts. Ground floor retail is not included in the rentable office square footage.

**Right of First Option (RoFo):** A clause in a lease that provides tenants with the right of first offer on agreed upon space within a building. The right of first option appears as a covenant in the original lease and provides specifications under which the leaseholder can exercise this option to lease additional space within a building. Most right of first options must be exercised by a specified date, after which point the option expires.

**S**

**Sale:** The building is for sale

**Sales volume:** the sum of sales prices for a given group of buildings in a given time period

**Security Deposit:** A security deposit is any money a landlord takes from a tenant other than the advance payment of rent. The security deposit serves to protect the landlord if the tenant breaks or violates the terms of the lease or rental agreement. It may be used to cover damage to the property, cleaning, key replacement, or back rent.

**Sewer:** Sewer service utilities are based on metered water use and generates funds for constructing and maintaining wastewater facilities such as sewers and sewage treatment plants, and for treating the sewage that is discharged into the sewer system.

**Shadow Space:** Space that is leased but not currently utilized because of layoffs or reorganizations

**Shopping center:** retail property type that includes community centers, neighborhood centers, and strip centers

**Shrinking Tenant Strategy:** A tenant that is actively looking for a space that is smaller than their existing space within the market.

**Side Core Type:** A building in which the core of the building is located on the side of a building's construction.

**Single-Story:** A one-story building.

**Single-Tenancy:** A building for which there is a single lease obligation (For Industrial: The property may be 100% occupied by its owner).

**Single Tenant:** The loss factor for a single tenant building or floor is generally lower than the loss factor for a multi-tenant building or floor because there are fewer obstructions (partition walls, hallways, and corridors) that a tenant must pay for but may not use as workspace than if a floor or building is divided for multi-tenant use.

**Skyscraper:** A building with 40 to 69 stories.

**Sold:** The building is sold and the sale is final.

**Space Detail:** Details within specific lease agreements related to the space and lease terms.

**Speculative-Ground Up:** New construction designed and built by a developer, may break ground without pre-leasing or anchor tenants in place. Lenders may require developers to have a set amount of preleasing prior to ground breaking, as part of financing requirements.

**Special Purpose:** Commercial real estate that is constructed for a specific special purpose, such as self-storage, bowling alleys, theaters, community centers, nursing homes, etc.

# Glossary

---

A B C D E F G H I J K L M N O P Q R **S** T U V W X Y Z

**Specialty center:** retail property type that includes factory outlets, theme/festival centers, and airport retail

**Spec Redevelopment:** Redevelopment of an existing building that is designed for speculative leasing. Built by a developer, may break ground without pre-leasing or anchor tenants in place. Lenders may require developers to have a set amount of preleasing prior to ground breaking, as part of financing requirements.

**Stable Tenant Strategy:** A tenant that is actively looking for a space that is a relatively the same size as their existing space within the market.

**Standalone:** Able to operate without control from another system, company, etc.

**Steel:** Steel is an alloy of iron and other elements, widely used in construction and other applications. Steel buildings are used for a variety of industrial purposes including storage, work spaces and living accommodation. Steel framed buildings generally use other materials for floors, walls, and external envelope.

**Stepped:** Escalations to a tenant's rental rate are made at intervals agreed upon by landlord and tenant, ie: in years 2 and 4 or every 2 years or in the 2<sup>nd</sup> and final year of a lease, etc. Escalations in a stepped

**Strip center:** attached row of stores or service outlets with on-site parking usually located in front of stores, managed as a coherent entity

**Structured Parking:** Multi-story parking structure, above ground and separate from building structure.

**Sublease Space:** A sublease is a lease between a tenant who already holds a lease to a commercial space or property and someone who wants to use part or all of the tenant space.

**Sublet:** The space is under an existing lease with a tenant and is available for sublease

**Sublet Available:** Sublet Available space refers to space that is under a lease obligation but is being offered for lease back to the market by the tenant with the lease obligation. It includes space regardless of whether the space is vacant, occupied or available at a future date.

**Sublease Net Absorption:** The net change in sublease occupied space in a given market between the current measurement period and the last measurement period. Net absorption can be either positive or negative and must include decreases as well as increases in inventory levels.

**Sublet Vacant:** Sublet Vacant space refers to space that is under a lease obligation but is being offered for lease back to the market by the tenant with the lease obligation. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space.

**Submarket:** A geographic area that is generally recognized in the market as an identifiable neighborhood.

**Submarket Cluster:** A cluster of submarkets that, collectively demonstrate a geography of interest to the market as a collection.

**Subway Service:** A public, passenger rapid rail transport that operates underground within (primarily urban) cities.

**Suburban:** In suburban areas, homes and buildings are spread out and are places outside of cities.

**Super Regional Mall:** similar to regional malls but offering more Variety and assortment

**Supertall:** A building with 70+ stories

**Surface Lot:** Paved parking lot adjacent to building.

# Glossary

A B C D E F G H I J K L M N O P Q R S **I** U V W X Y Z

## I

**Taxes:** The market divides taxes and operating expenses into 3 areas: Fixed, variable or operating, and reserves. Taxes are computed in different ways depending on the city, county, or state.

**Tenant Broker Company:** Brokerage firm that represented the tenant.

**Term:** The length of time for which a tenant has contractually agreed to lease space. The lease term is measured from the commencement date to the expiration date.

**Theme/festival center:** leisure, tourist, retail, and service-oriented offerings with entertainment as a unifying theme

**Total Available:** The sum of the Direct Available and Sublet Available.

**Total Net Absorption:** The net change in total occupied space in a given market between the current measurement period and the last measurement period. Net absorption can be either positive or negative and must include decreases as well as increases in inventory levels.

**Total Vacant:** The sum of the Direct Vacant and Sublet Vacant.

**Town Center:** The central part or main business and commercial area of a town

**Trailer Spaces:** An open area, typically for industrial buildings, where long-haul trucks can put their trailers

**Trophy:** Often, a landmark property that is well known by the public and highly sought by investors such as pension funds, insurance companies, foreign investors and tenants. Generally one-of-a-kind architectural designs, with the highest quality of materials and finish, the best amenities in the market (usually). These properties are more desirable than Class A buildings.

**Truck Court Depth:** The depth of a concrete apron or area located adjacent to loading docks on industrial buildings for maneuvering/turning around large trucks.

**Truck Terminal:** A truck/trans-shipment facility. Building features: Long and narrow with multiple cross-docks that allows for simultaneous incoming and outgoing inventory. Building features include a clear height of generally 12-16 feet; less than 10% office build-out; 130-foot truck turning radius; high door-to-square-footage ratio.

**Turning Radius:** The turning radius of a truck is the radius of the smallest circular turn that the vehicle is capable of making.

## U

**Under Construction:**

**Office:** Actual ground breaking has occurred.

**Industrial:** Site surcharged, graded and concrete footers/foundation poured

**Under Contract:** When the buyer has made an offer, but the sale is not final.

**Under Renovation:** Under Renovation includes buildings where 75% or more of the building is not available for lease and the building generally requires a certificate of occupancy (COO or CO) to be made available for lease.

**Underground Garage:** Parking structure that is typically part of office building and below grade.

**Urban:** An urban area is the region surrounding a city. It is very developed, meaning there is a density of human structures such as houses, commercial buildings, roads, bridges, and railways. Urban area can refer to towns, cities, and suburbs.

**Usable Area:** another widely used BOMA definition, measures the occupiable area of a floor or an office suite and is of interest to a tenant in evaluating the space offered by a landlord and in allocating the space required to house personnel and furniture.

# Glossary

ABCDEFGHIJKLMNOPQRSTUVWXYZ V W X Y Z

## V

**Vacancy:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of Rentable Building Area (can be Direct Vacant or Sublet Vacant space, or the sum of both). Vacancy may be calculated at the property or geography level. Space being built is not included in vacancy calculations.

**Vacancy rate:** percentage of the total amount of physically vacant space divided by the total amount of existing inventory

**Vacant:** There is no tenant in the space and it is unoccupied.

**Volts:** Voltage is an electrical force whose basic unit is the Volt. Volts fields allow a range of low to high to accommodate a facility that has a transformer enabling the power to be stepped up or down.

## W

**Warehouse/Distribution:** These buildings are very large, single-story structures used primarily for warehousing and the distribution of business inventory

**Wet:** Sprinkler pipes are fully charged with water

## X

## Y

**Yard Size:** Amount of exterior area available for tenant use in an industrial building, usually fenced and expressed in acres. Yard can be used for exterior storage.

## Z



## About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers and investors achieve their business ambitions. In 2016, JLL had revenue of \$6.8 billion and fee revenue of \$5.8 billion and, on behalf of clients, managed 4.4 billion square feet, or 409 million square meters, and completed sales acquisitions and finance transactions of approximately \$136 billion. At year-end 2016, JLL had nearly 300 corporate offices, operations in over 80 countries and a global workforce of more than 77,000. As of December 31, 2016, LaSalle Investment Management has \$60.1 billion of real estate under asset management. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit [www.jll.com](http://www.jll.com).

## About JLL Research

JLL's research team delivers intelligence, analysis and insight through market-leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 400 global research professionals track and analyze economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fueled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.