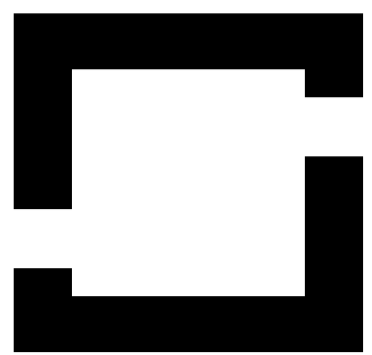


Office Space

Usable Square Feet	Measurement of the commercial space that a tenant has exclusive use of
Carpetable square footage	Usable square footage minus any areas that are devoted to support and could not be used as a workspace, such as bathrooms and hallways
Rentable Square Feet	Measurement of the entire space that the tenant leases from the landlord, which includes spaces shared with other tenants
Loss Factor	Percent difference between rentable and usable space <i>Caution/Tip Represents the amount of "lost" value of leased space</i>

Costs

Common Area Maintenance (CAM)	Fees the tenant pay to the landlord in addition to rent. These fees are either variable or fixed at a set rate. <i>Caution/Tip Be wary of variable CAM, which increases at an independent rate</i>
HVAC	Heating, Ventilation, and Air Conditioning
Real Estate Tax	Tax levied by government on property within its jurisdiction. In a triple net lease, the cost of this tax is factored into the fees paid by the tenant. Most office leases in NY are modified gross meaning tenants pay their proportionate share of the increase in real estate taxes for the entire building. Example: Leased space = 10% of gross building area (proportionate share); Base Year - \$100,000, Year 2 - \$105,000; \$5000 * 10% = \$500 owed by tenant for the entire year.
Abated rent	Rent that the tenant does not have to pay, which is often provided in the first few months of the lease when the tenant moves in (Free rent)
Base Rent	Amount of rent that is set as the minimum with provisions to increase it over the term of the lease



Additional Lease Clauses and Phrases

Concessions	Negotiated allowances for tenants including discounted or free rent for a fixed period of time, reduced escalations, or tenant improvement allowances. However, these are likely already covered in rent costs <i>Caution/Tip</i> Sometimes a lease allows the landlord to revoke the concessions if you default on your lease, which would make you liable for those costs.
Build outs	Space improvements put in place per the tenants specifications
Holdover clause	Clause that states if the tenant does not vacate the space before the termination date, they are responsible for a specific amount of additional rent usually between 2 to 3 times the previous rent
Good Guy Clause	Provision that allows a tenant to be released from the liability of completing the agreed upon rental period, assuming the tenant vacates the rented space and leaves it in favorable condition. This clause is typically found in rental agreements in New York City

Lease Classification

Letter of Intent (LOI)/Proposal	Written document that solidifies the tenant's commitment to rent the space prior to the actual signing of the lease (NOT an actual lease) <i>Caution/Tip</i> This letter can be binding or non-binding so be sure to know what you are agreeing to. In New York, for example, this letter is non-binding.
Triple net lease	Lease in which the tenant is responsible for costs of real estate taxes, property insurance and maintenance in addition to regular fees for rent and utilities
Net-net/Double Net leases	Lease in which the tenant is responsible for property taxes and insurance in addition to regular fees for rent and utilities
Single net lease/Gross lease	Lease in which the tenant is only responsible for property tax in addition to regular fees for rent and utilities