

OFFICE BUILDINGS - OVERALL BUILDING COSTS

ESTIMATION OF ANNUAL SERVICE CHARGES

Tables drawn up in €/m²/year exclusive of VAT for a luxury office building of average 10.000 m²
(new and old, with and without air conditioning) -Updated at 01.01.2009.

N°	Items	New building w/o air cond.	Supplement for air cond.	Sup. 15-yr.-old building with air cond.	TOTAL MAX	
A) LABOUR AND CONSUMPTION						
1	Full-time concierge	3.30 euro/m ²	0.00 euro/m ²	0.00 euro/m ²	3.23 euro/m ²	(2)
2	Insurance	1.30 euro/m ²	0.10 euro/m ²	0.10 euro/m ²	1.50 euro/m ²	(1)
3	Water for outbuildings	1.40 euro/m ²	0.20 euro/m ²	0.10 euro/m ²	1.70 euro/m ²	
4	Gas or fuel heating	4.00 euro/m ²	0.00 euro/m ²	0.70 euro/m ²	4.70 euro/m ²	
5	Electricity for outbuild.	4.80 euro/m ²	5.50 euro/m ²	0.70 euro/m ²	11.00 euro/m ²	
6	Garbage disposal	0.90 euro/m ²	0.00 euro/m ²	0.00 euro/m ²	0.90 euro/m ²	
7	Legal checks	0.27 euro/m ²	0.15 euro/m ²	0.05 euro/m ²	0.47 euro/m ²	
B) TECHNICAL MAINTENANCE						
8	Airco / heating	0.95 euro/m ²	2.70 euro/m ²	0.70 euro/m ²	4.35	(3)
9	Electricity HV / LV	0.30 euro/m ²	0.50 euro/m ²	0.20 euro/m ²	1.00 euro/m ²	(4)
10	Sanitation	0.29 euro/m ²	0.00 euro/m ²	0.15 euro/m ²	0.44 euro/m ²	(5)
11	Lifts	1.10 euro/m ²	0.00 euro/m ²	0.15 euro/m ²	1.25 euro/m ²	(6)
12	Fire detection	0.80 euro/m ²	0.00 euro/m ²	0.15 euro/m ²	0.95 euro/m ²	
13	Other technical tasks	0.80 euro/m ²	0.00 euro/m ²	0.15 euro/m ²	0.95 euro/m ²	(7)
C) MAINTENANCE AND COMPLETION WORK						
14	Cleaning of windows / parking	2.4 euro/m ²	0.00 euro/m ²	0.00 euro/m ²	2.4	(8)
15	Gardens	0.6 euro/m ²	0.00 euro/m ²	0.00 euro/m ²	0.6	(9)
16	Other completion tasks	0.6 euro/m ²	0.00 euro/m ²	0.25 euro/m ²	0.85	(10)
D) RETURN TO HIRE CONDITION						
17	Return of techn. featu. to original	0.35 euro/m ²	0.40 euro/m ²	0.40 euro/m ²	1 euro/m ²	(11)
18	Return of completion work to	0.30 euro/m ²		0.45 euro/m ²	1 euro/m ²	(12)
19	E) Management fees	3.00 euro/m ²	0.40 euro/m ²	0.10 euro/m ²	4 euro/m ²	(13)
20	F) Various	0.26 euro/m ²	0.25 euro/m ²	0.76 euro/m ²	1 euro/m ²	
Sub-totals (I)		27.72 euro/m²	10.20 euro/m²	5.11 euro/m²	43.03 euro/m²	
Total rental charges for a new building without air conditioning :					27.7 euro/m ²	
Total rental charges for a new building with air conditioning :					37.9 euro/m ²	
Total rental charges for a 15-year-old building with air conditioning :					43.0 euro/m ²	
G) COMFORT / SECURITY OPTIONS						
21	Receptionist 8h - 18h	4.90 euro/m ²			4.90 euro/m ²	(14)
22	Concierge rounds at night and	2.1			2.10 euro/m ²	(15)
23	Pedestrian access control /	1.00 euro/m ²			1.00 euro/m ²	
24	Tele-management	0.85 euro/m ²			0.85 euro/m ²	
25	Permanent technical staff 7H 30 -	1.75 euro/m ²			1.75 euro/m ²	
26	24-hour concierge - 1 person	20.00 euro/m ²			20.00 euro/m ²	(16)
Total cost for comfort / security options (II)					30.60 euro/m²	
Total rental charges for a new building without air conditioning including comfort options :					58.3 euro/m ²	
Total rental charges for a new building with air conditioning including comfort options :					68.5 euro/m ²	
Total rental charges for a new building with air conditioning including comfort options :					73.6 euro/m ²	

Notes

- 1) This is a "multi-risk" policy with a reciprocal recourse waiver and deductible amount of approx. EUR 1000, covering all risks relating to the property or its occupation, excluding the occupants' furniture.
- 2) We assume that the caretaker will clean the communal areas (apart from parking spaces and windows) and replace the bulbs. Without a caretaker, the price of subcontracting the cleaning of the communal areas is forecasted at approx. 5 euro /m²/year.
- 3) The aging of the technical installations produces higher maintenance costs due to more frequent replacement of worn parts in the installations (thermostats, filters, regulators, relays, etc).
- 4) Maintenance of high and low-tension electricity circuits shall be an exclusively joint responsibility. Lights and private connections shall thus remain the occupants' responsibility.
- 5) These are the communal and private sanitary facilities.
- 6) As regards lifts, one takes account of eight levels of offices and four parking levels, i.e. 12 stops by lift and four lifts in total, plus one freight elevator.
- 7) The item "various technical" includes maintenance of the automatic doors, car parks, pedestrians' automatic doors, and alarm transfer, etc.
- 8) It is assumed that tenants clean the inside of the windows themselves. The outside of the windows shall be cleaned six times a year and the parking spaces, once a week.
- 9) The item "gardening" varies a lot from one property to the other in accordance with size and plantation of the respective gardens in each site.
- 10) The price is the average for a standard garden of approx. 20 ares. The maintenance of "various finishings" includes the roofs to be cleaned and examined, the doors and frames in the communal areas, the access paths to the parking spaces, water tightness of the façades, etc.
- 11) The repairing of technical appliances (accommodation charges) may vary considerably according to the occupants of the property and their lease contracts, stipulating in more or less clear terms, the worn out items to be paid for by the owner and those to be paid for by the tenant. In our example, we take the case of a property entirely rented by an investor to external tenants with standard lease contracts for offices, which put the replacement of worn out parts with a life span of less than five years, the average length of lease contracts, down to building occupancy expenses.
- 12) Ditto item 11)
- 13) The fees generally vary between two and three percent of rent received on aggregate (index-linked fee systems may also be suggested). Our estimate is based on rent income on 8,000 m² of offices and 120 parking spaces.
- 14) The "Comfort" options are optional charges for improvements to comfort or quality of the rented accommodation, generally decided by the majority of cotenants or the owner in order to respond better to the criteria specific to the majority of the occupants.
- 15) These are two security patrols per night, each lasting about half an hour, including Saturday, Sunday, and public holidays. The checks are carried out by mobile patrols at variable times, which are aimed at effecting a visual control of some 30 check points right across the communal areas, thanks to a "barcode" system, which automatically registers the patrol's effective passage.
- 16) The item "24-hour security" is very expensive, but some foreign companies with activities likely to be the target of reprisals or attacks of all sorts are very fond of this type of security.