



A True Cost of Fit-out

prepared by Praedium ONCOR International

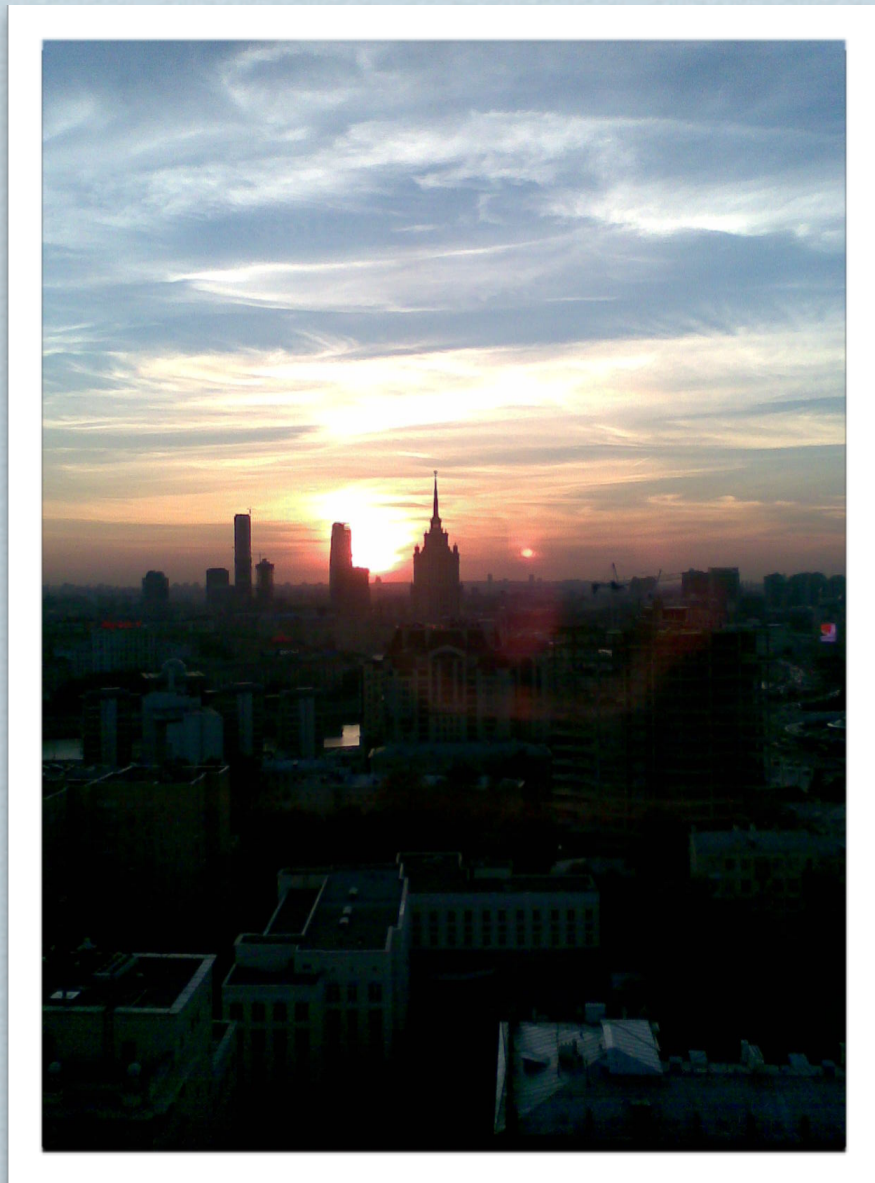
September 16, 2008

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Definition of Shell & Core

- ❖ Finished structure (shell) of the building;
- ❖ Finished core (common) areas such as building entrances, elevator lobbies, staircases, technical rooms, corridors, underground garage, etc.
- ❖ Mechanical (Machinery, HVAC equipment, plumbing and electrical systems) with services distribution capped off at risers to each floor;
- ❖ Landscaped territory surrounding the Building;



Delivery Condition



- 🇷🇺 Delivery Condition: pure shell and core;
- 🇷🇺 Rent Free Period: none or up to 3 months;
- 🇷🇺 Fit-out Allowance: none or up to \$150 per usable square meter;
- 🇷🇺 Fit-out costs: straight pass-through to the Tenant and start from \$1,000 per SM;



- 🇬🇧 Delivery Condition: Cat A office fit-out;
- 🇬🇧 Rent Free Period: depends on the length of the lease, e.g. 7-10 years - 12 months;
- 🇬🇧 Fit-out Allowance: none;
- 🇬🇧 Fit-out costs: for a high quality fit-out range from £50-£60 per SF (\$900-\$1,050 m2);

Commencement Dates

Lease Execution



Lease Commencement



Tenant Fit-out



Rent Commencement

Rent Free Period

Lease Commencement Date

Date of
Access



Rent Free Period

Fit-out
Period



Rent Commencement Date

Fit-out Allowance



- ❖ Amount depends on landlord and building class;
- ❖ Always calculated per usable square meter;
- ❖ Typically credited against Year 1 rental rate;
- ❖ Not sufficient to recoup all Tenant improvements;

Putting It All in the Lease

- ❖ detailed description of the delivery condition of the leased premises;
- ❖ landlord works and tenant works;
- ❖ building/premises delivery dates and penalties for late delivery;
- ❖ building certificate of occupancy;
- ❖ separable and inseparable improvements;
- ❖ the longer the lease term, the longer fit-out costs amortization period;



Increasing Fit-out Efficiency



Increasing Fit-out Efficiency

❖ Floor plate efficiency



Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
- ❖ Space-planning efficiency



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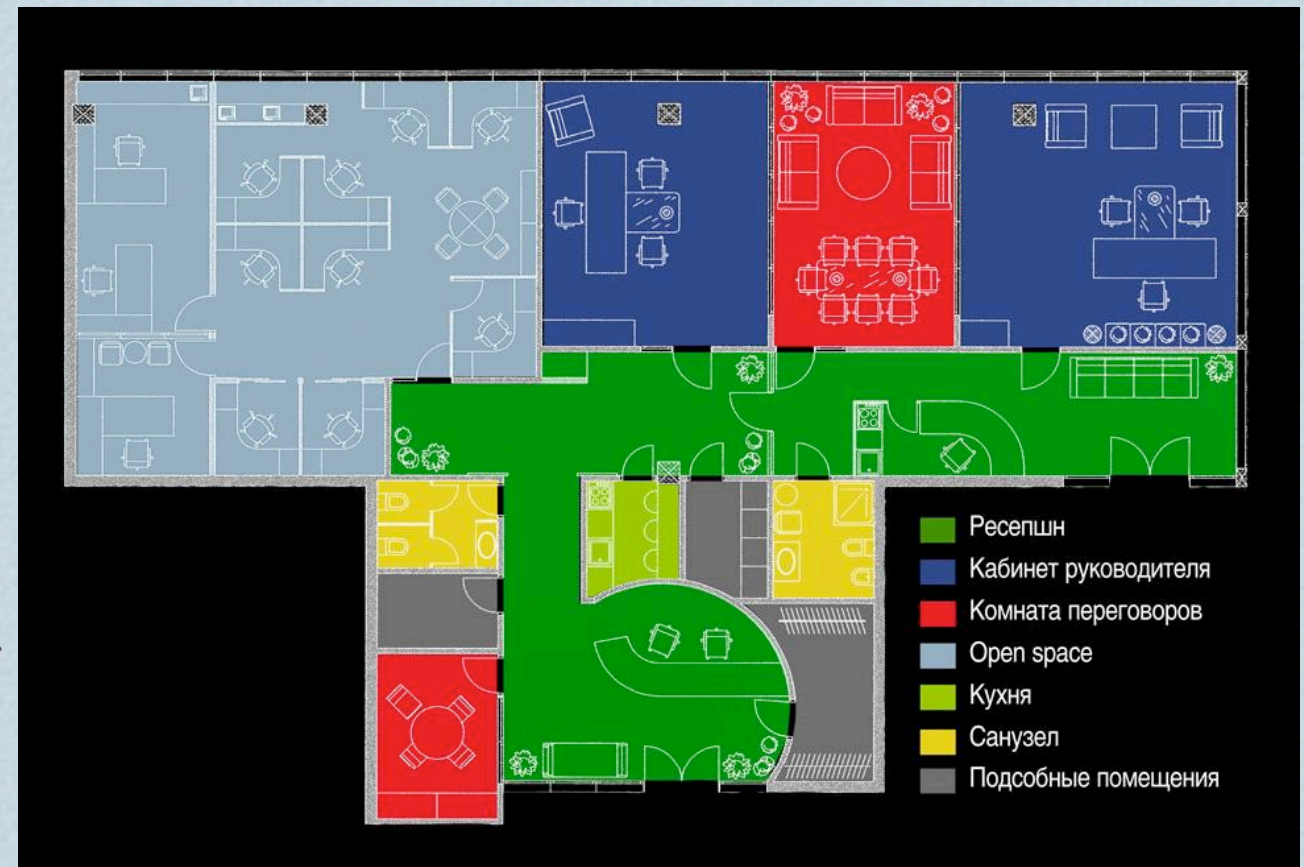
Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
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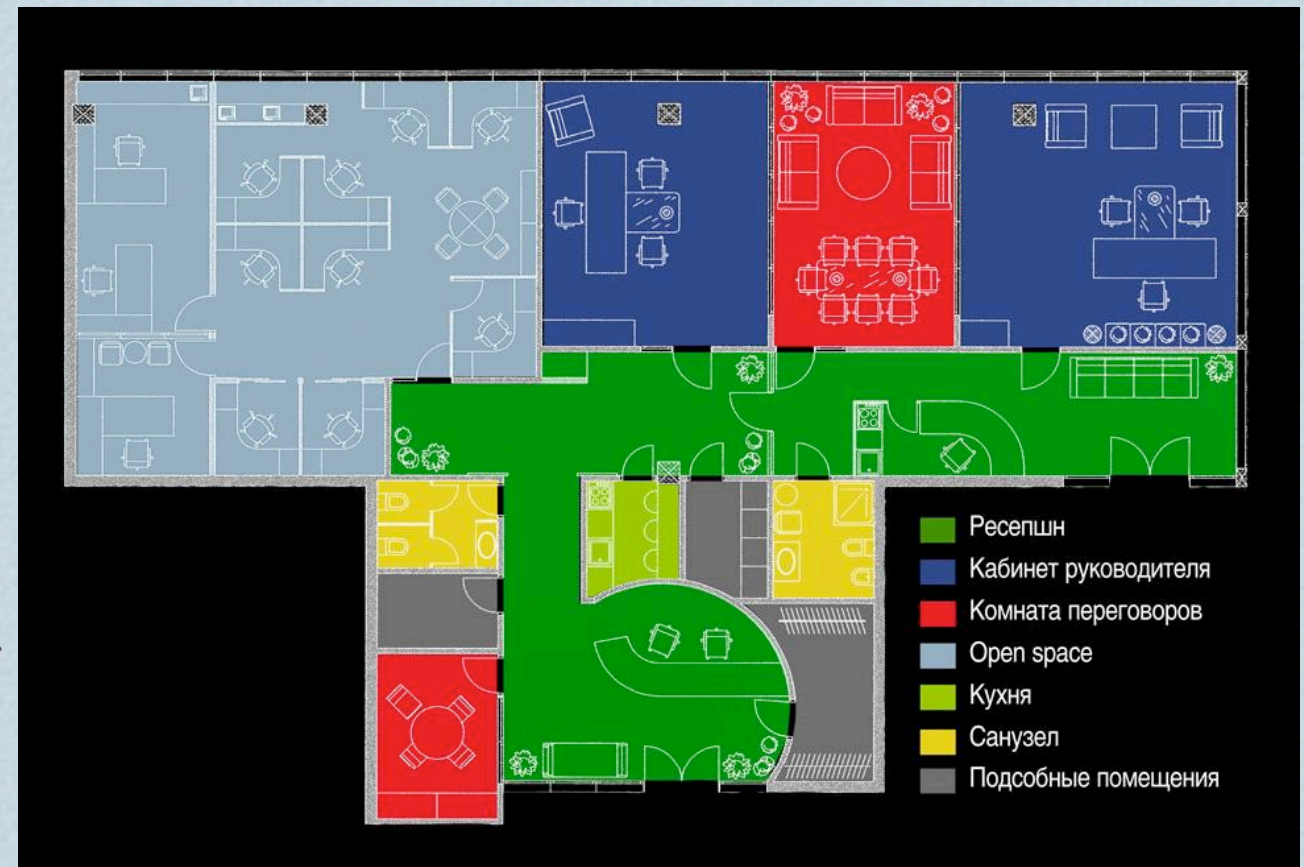
Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
- ❖ Space-planning efficiency
- ❖ Increasing the intensity of the use of workstations



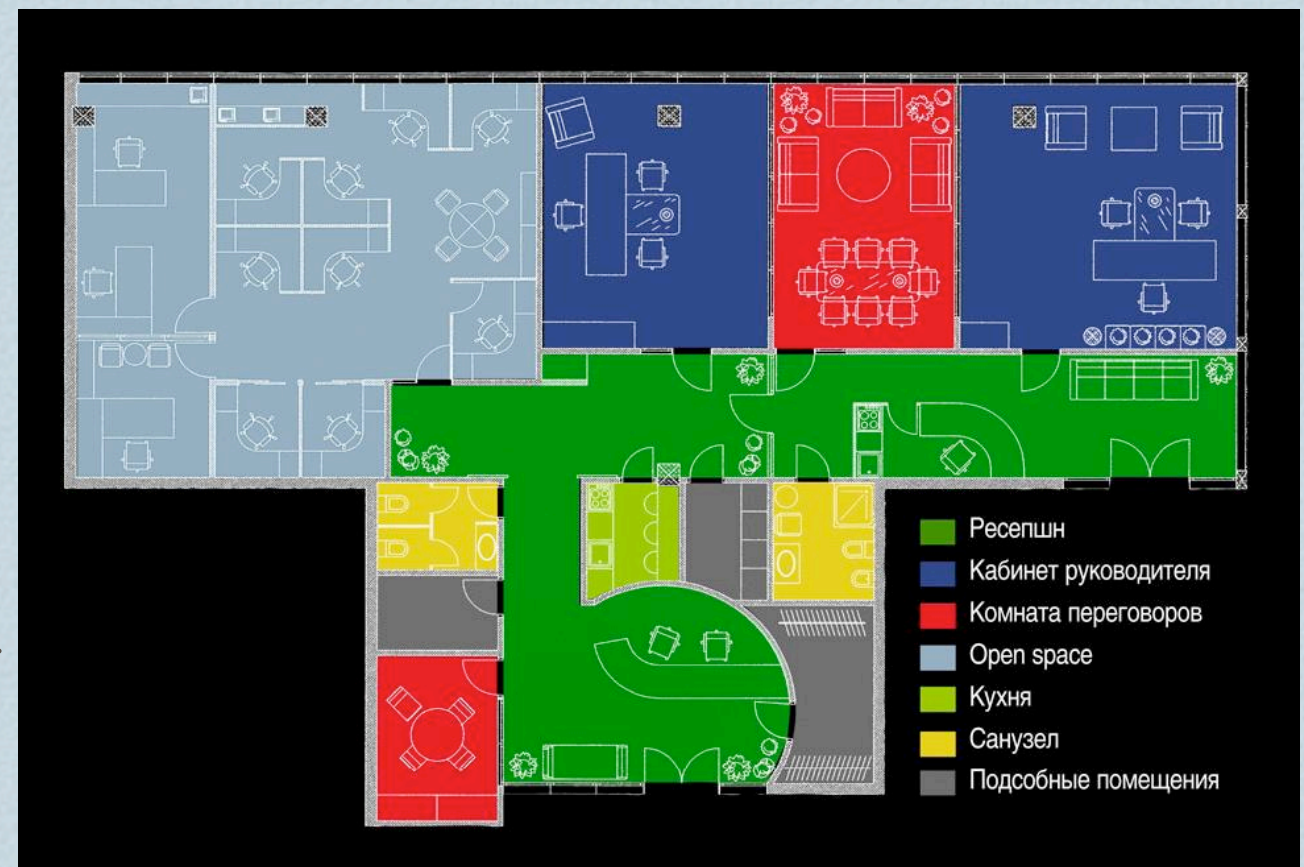
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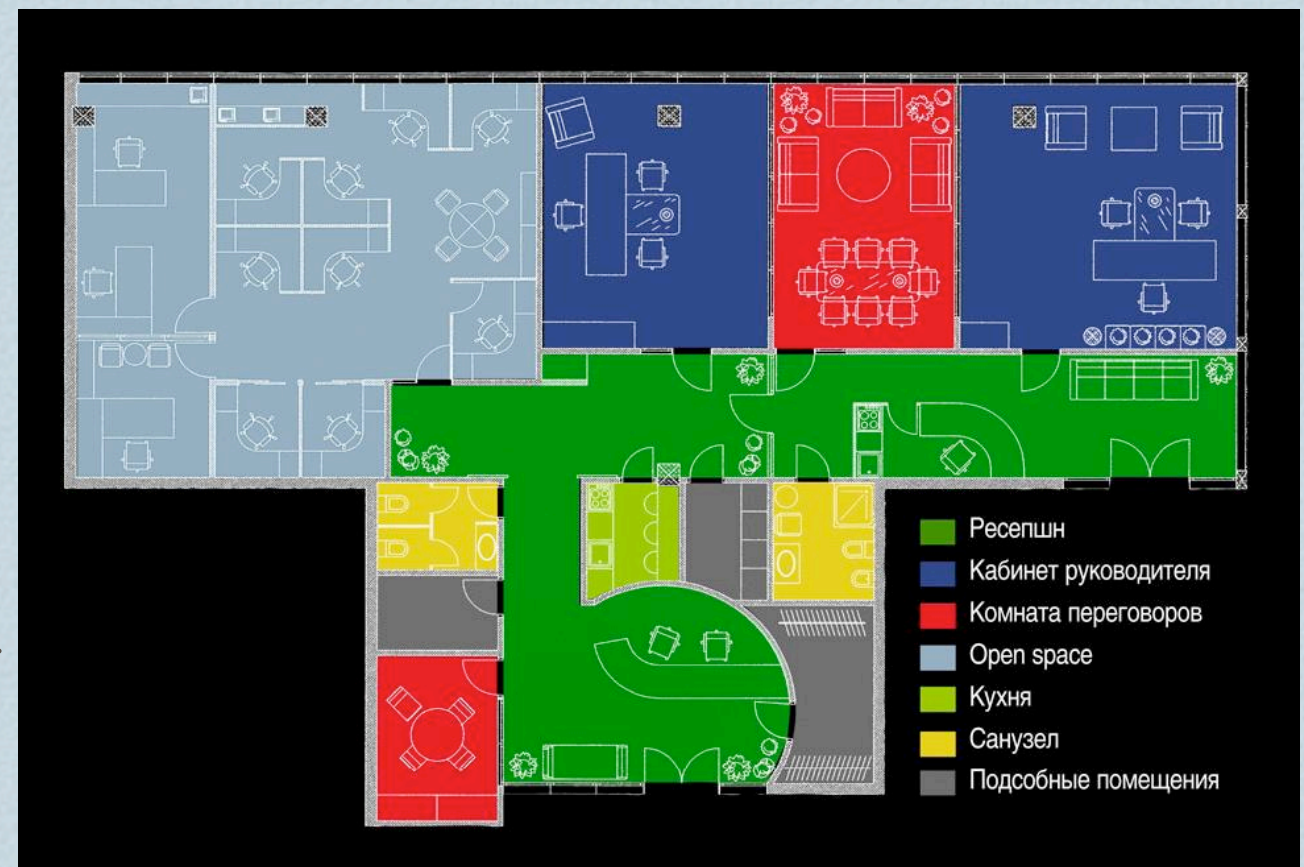
Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
- ❖ Space-planning efficiency
 - greater use of open-plan office space;
- ❖ Increasing the intensity of the use of workstations



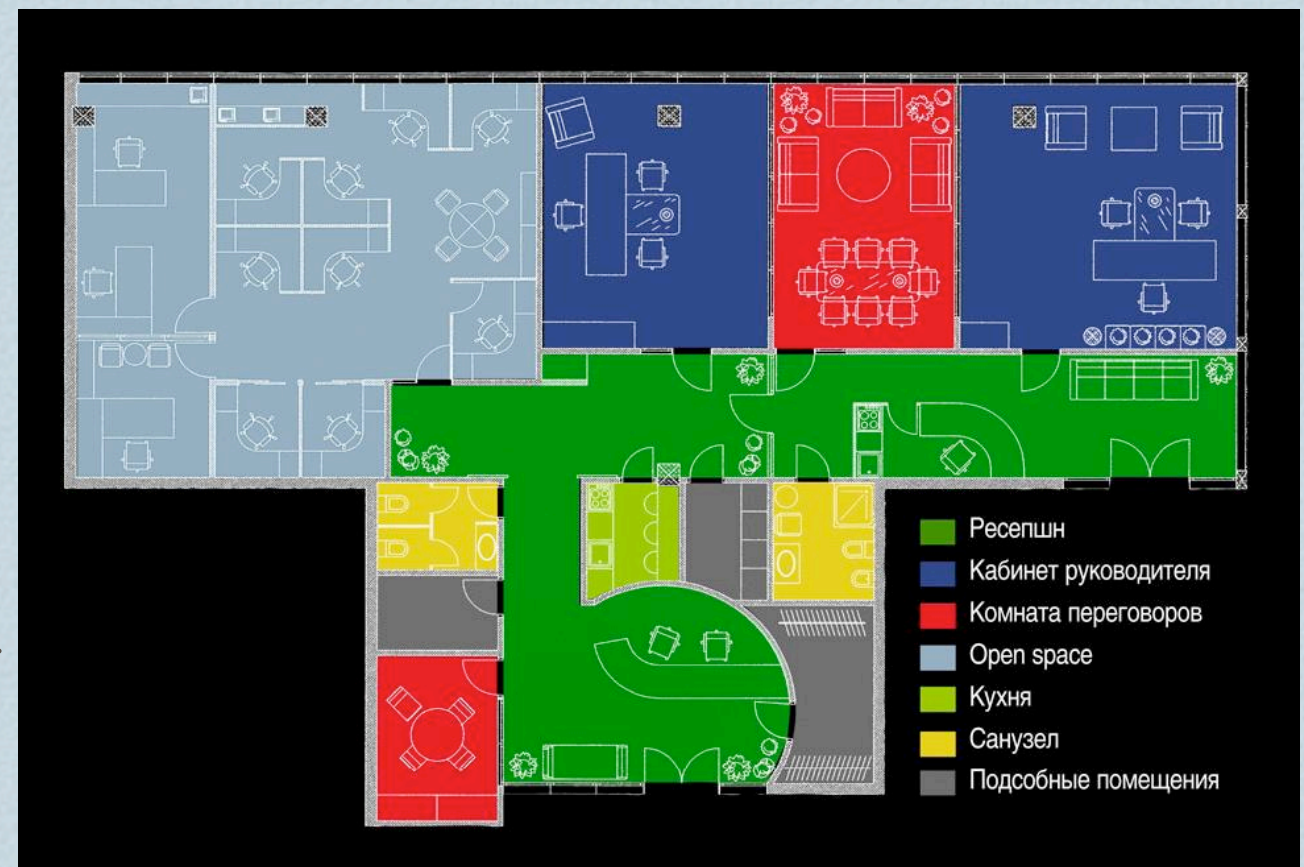
Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
- ❖ Space-planning efficiency
 - greater use of open-plan office space;
 - rationalizing space standards;
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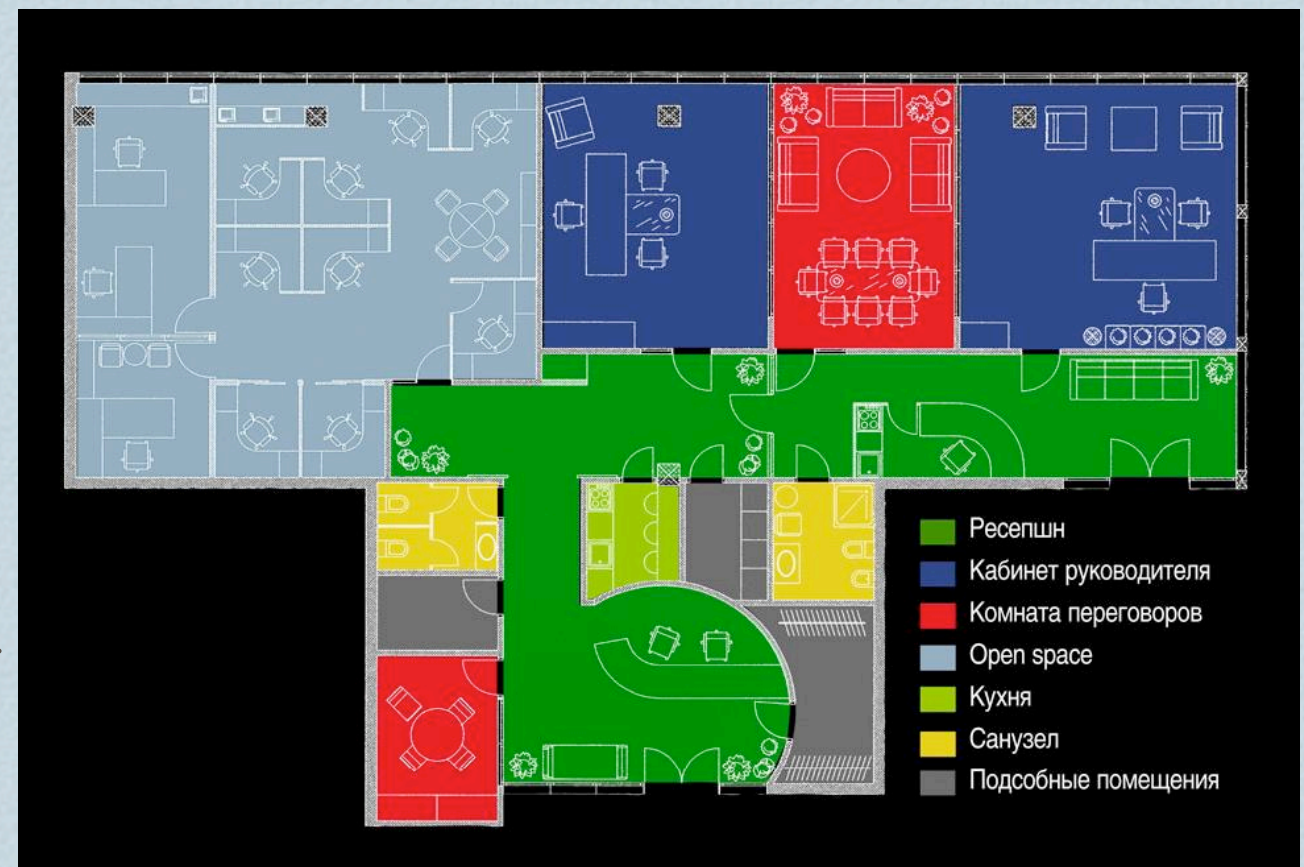
Increasing Fit-out Efficiency

- ❖ Floor plate efficiency
- ❖ Space-planning efficiency
 - greater use of open-plan office space;
 - rationalizing space standards;
 - actively managing on-floor storage;
- ❖ Increasing the intensity of the use of workstations



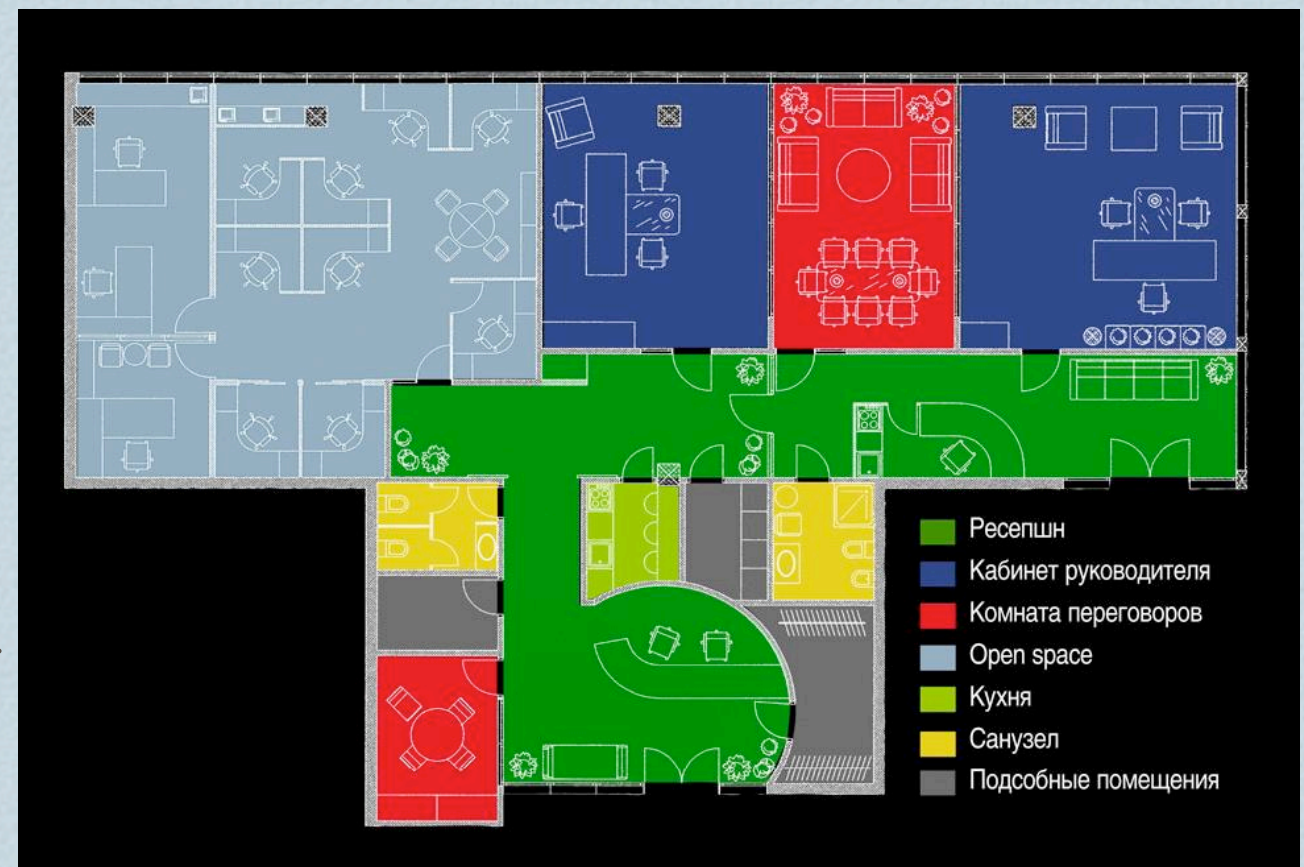
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- ❖ Floor plate efficiency
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 - rationalizing space standards;
 - actively managing on-floor storage;
 - minimizing requirements for secondary on-floor circulation;
- ❖ Increasing the intensity of the use of workstations



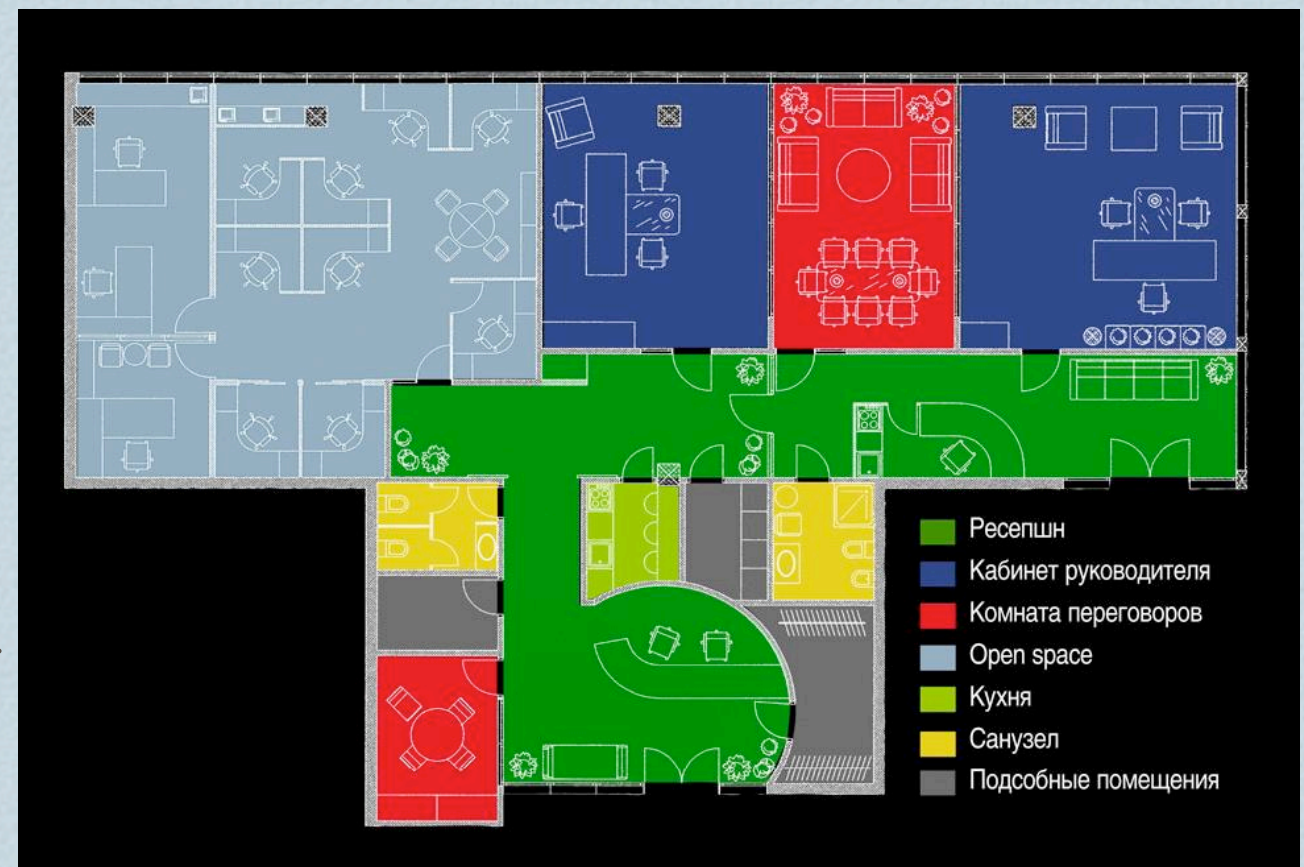
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 - greater use of open-plan office space;
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 - actively managing on-floor storage;
 - minimizing requirements for secondary on-floor circulation;
- ❖ Increasing the intensity of the use of workstations
 - hot-desking;



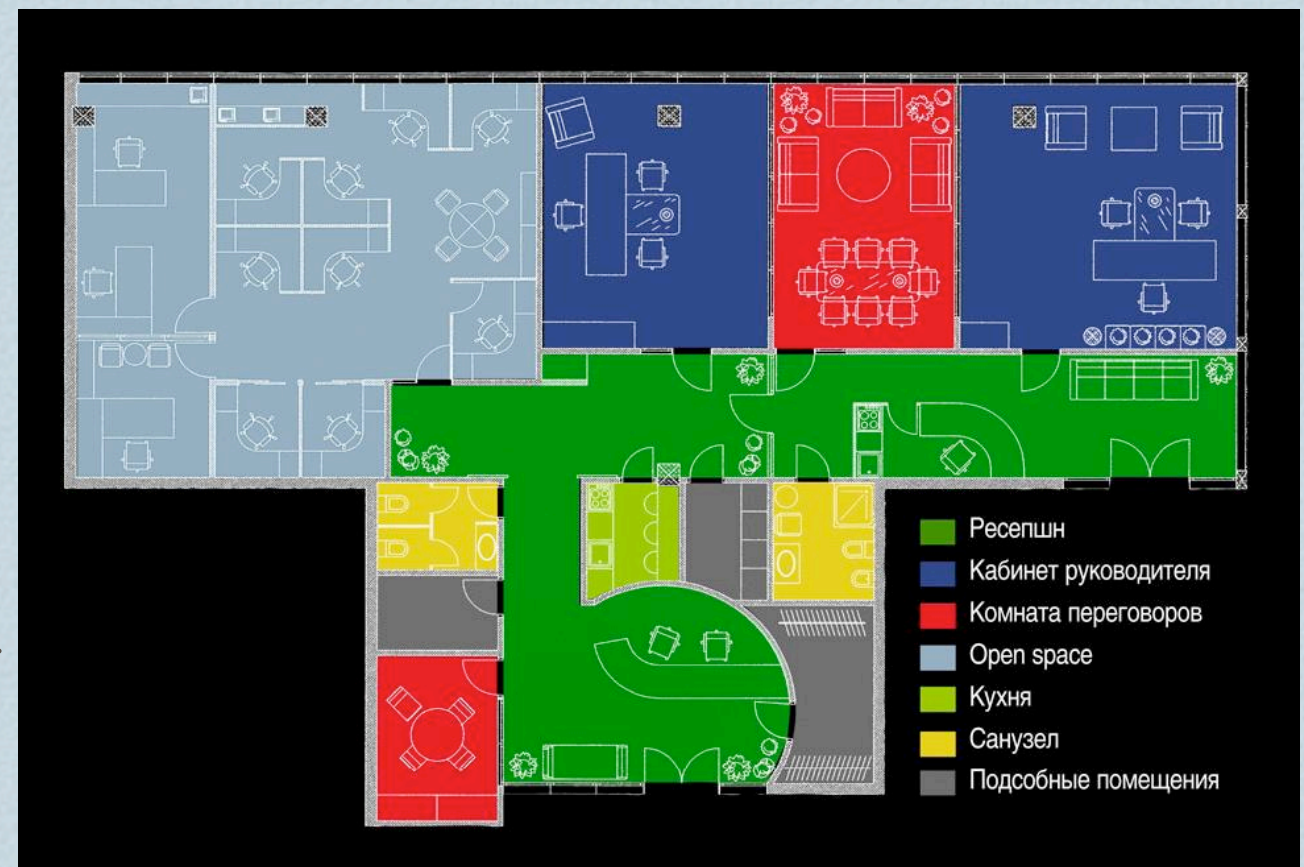
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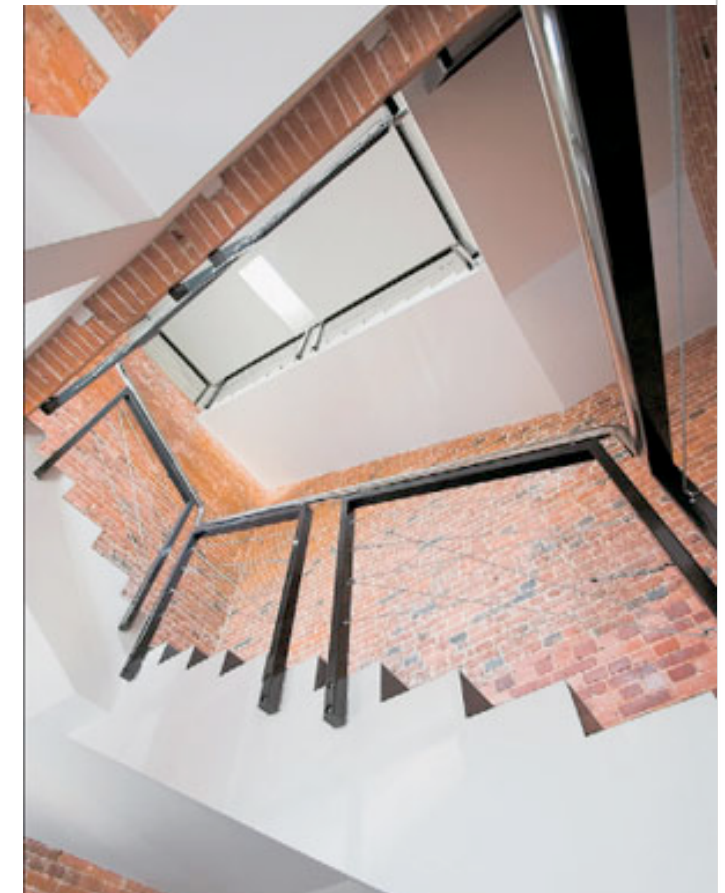
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 - hot-desking;
 - quality of the working environment;

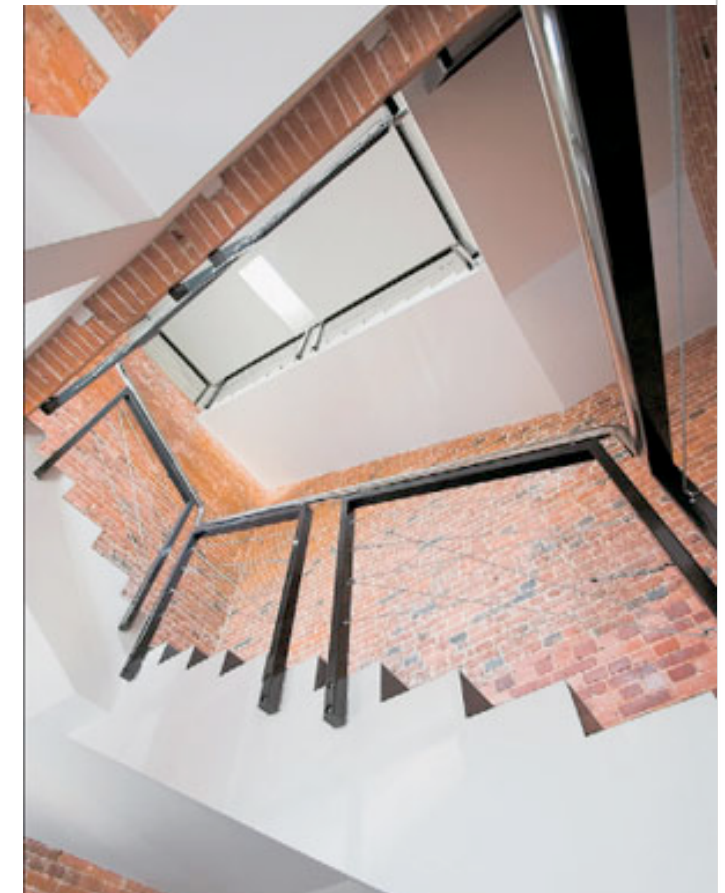


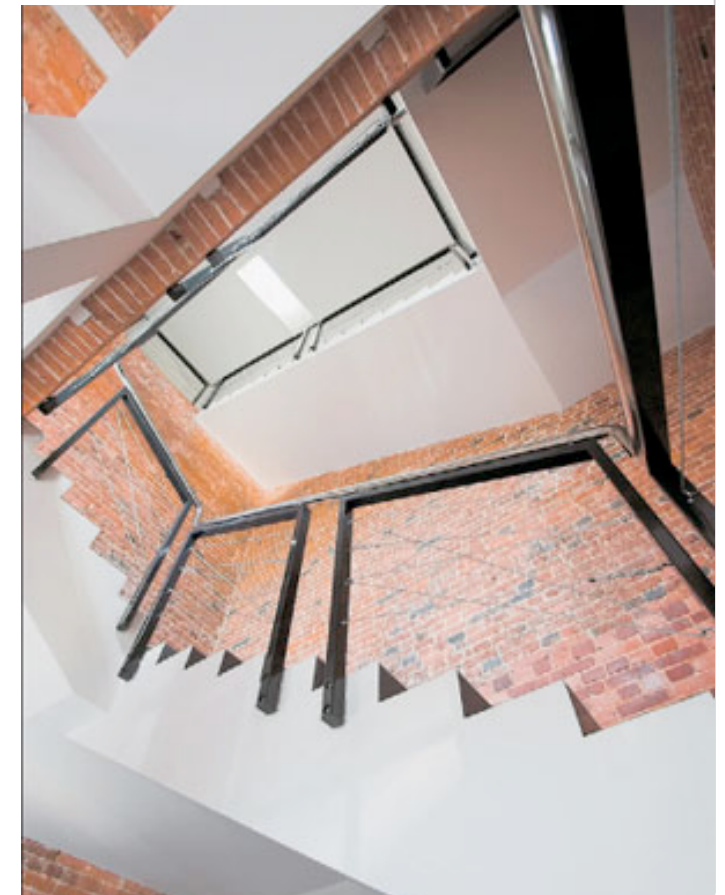
Increasing Fit-out Efficiency

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 - greater use of open-plan office space;
 - rationalizing space standards;
 - actively managing on-floor storage;
 - minimizing requirements for secondary on-floor circulation;
- ❖ Increasing the intensity of the use of workstations
 - hot-desking;
 - quality of the working environment;
 - zoning of different types of space;











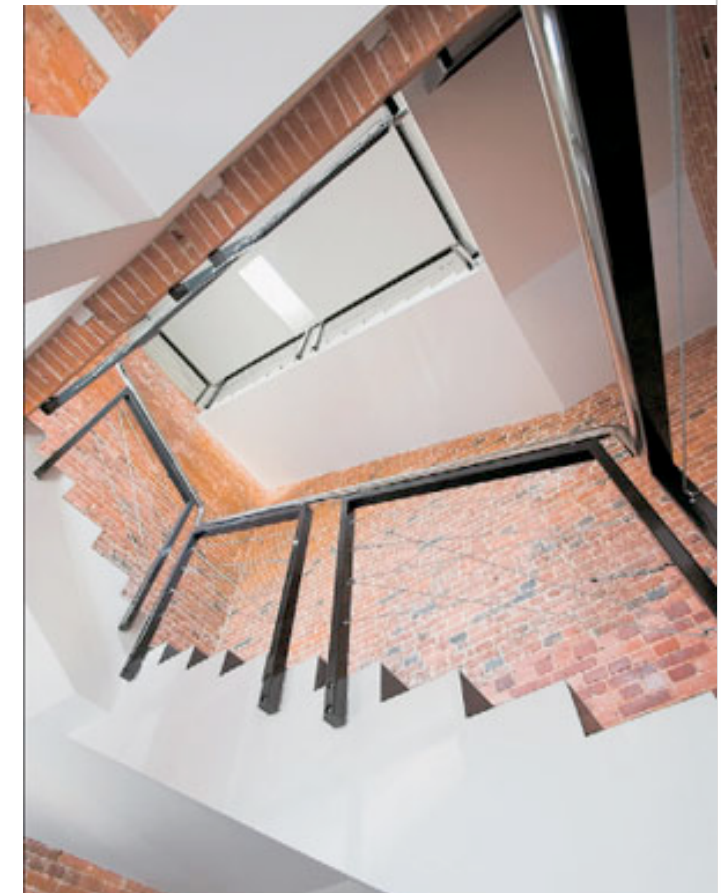
derive maximum space efficiency



deliver projects to tight costs and time budgets



manage the complex process of the business move



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