



## Survey of Commercial Rents Producer Prices Division

### Reporting Guide

This Guide has been designed to help you complete the Survey of Commercial Rents. If you require assistance or need additional information, please contact us by telephone at 1-877-604-7828 or e-mail [bssso@statcan.ca](mailto:bssso@statcan.ca).

### **Lessors of Commercial Rents**

Data from this survey is used to produce an index published at the 5-digit NAICS code 53112 – Lessors of Non-Residential Property (except mini-warehouses). Lessors of non-residential buildings are defined as those establishments engaged in the provision of space to others for rent, which are not used as residences or dwellings. Mini-warehouses used by the general public for personal use are excluded from this definition.

### **Building Information**

#### **Question 1**

Please verify the pre-filled information on the questionnaire and make any corrections where necessary in the blank section.

If the building initially selected for the survey is no longer owned or managed by the business, select another building in the same sector (e.g., if the building was initially in the retail sector, select another retail location) and in the same province as previously reported. Select the largest building in terms of gross leasing revenue that is not entirely owner occupied. In the absence of a clear choice, please select one of your largest properties, with prices you feel are representative of the market you service.

Note that in some instances, large property owners may be sampled multiple times. If multiple surveys are sent to you, buildings should be selected using the same criteria as above, with additional buildings selected from largest to smallest revenue.

#### ***Building Name:* (R0100)**

The name of the building that has been chosen through sampling, or chosen by the respondent as the largest gross leasing revenue or most representative. If the building does not have a name, this cell can be left blank.

#### ***Number and street:* (R0101)**

Street address for the chosen building.

#### ***City:* (R0102)**

City for the chosen building.

#### ***Province or State:* (R0103)**

Province for the chosen building.

**Postal code/ZIP code:** (R0104)

Postal Code for the chosen building.

**Year Constructed:** (R0200)

Year Constructed for the chosen building.

**Number of floors:** (R0400)

The total number of above ground floors, including the main floor.

**Total leasable square footage of the building:** (R0500)

Total amount of square feet, for the entire building, that is available for lease to tenants, whether or not the space is currently occupied. This number does not include owner occupied square footage.

Example: A building which has 10,000 square feet available for lease, 7,000 square feet leased by tenants and 1,000 square feet owner occupied, has 9,000 square feet available for lease.

*Total SQFT – Owner Occupied = Total SQFT Available*

$10,000 - 1,000 = 9,000$

**Total leasable square footage occupied by owner:** (R0501)

Total amount of square feet that is considered owner occupied, which otherwise could be leased to a tenant.

## Question 2

How would you classify this building based on the highest gross leasing revenue during the reference quarter? Please select only one.

**Office building:** (R0900-1)

This includes high-rise or low-rise office buildings, regardless of whether they are general office buildings, financial office buildings or medical office buildings.

**Retail building:** (R0900-2)

- *Enclosed shopping centre*  
A shopping centre where the majority of individual stores are accessed from an indoor common area.
- *Open shopping centre*  
A shopping centre whose stores are accessed from the outdoors and there is no indoor common area that allows access to all stores. This includes strip malls and convenience centres.

Note: for the shopping centre configurations described above, if the majority of stores are accessed only from the outside select *Open shopping centre*, if most

of the stores can be accessed through a common area select *Enclosed shopping centre*.

- **Commercial building (excluding shopping centres)**  
This includes all commercial or retail buildings that do not fall under the definition of shopping centres. Examples include retail stores (e.g. big box stores not attached to a shopping centre), restaurants, car dealerships, etc.

***Industrial building or Warehouse: (R0900-3)***

This includes heavy manufacturing buildings, light manufacturing and assembly buildings, research and development buildings, and warehouse and distribution buildings. Mini-warehouses used by the general public for personal use, are excluded from this definition.

***Other: (R0900-4)***

If the building does not belong to any of the above categories, please list it.

### **Tenant and Rent Information**

Please note Question D3 & D4 are identical to the information below and are only included if the information for the previous quarter is missing.

#### **Question 3 (D3)**

For the rent questions in this section, please report in Canadian dollars, the total dollar amount charged for all tenants within the selected building, by month, for the quarter indicated.

***(a) How many tenants occupied space in the building at the beginning of each month? C1000 C2000 C3000***

This includes all tenants who occupied space in the building at the beginning of each month.

***b) What was the total square footage occupied by all tenants (ft<sup>2</sup>)? C1100 C2100 C3100***

This is the total square footage of occupied space for all tenants in the selected building excluding common areas and parking.

***(c) What was the total monthly Net Effective Rent (NER) charged (\$) C1200 C2200 C3200***

For the purposes of this survey, monthly net effective rent is the rent charged monthly to tenants to physically occupy space in the building, including any inducements (e.g. rent free periods, tenant improvement allowances, lease buyout values, signing bonuses or volume) and excluding all operating costs or additional rents, etc.

Charged rent is the amount that the tenant is contractually obligated to pay, not the amount collected by the lessor in that particular month.

Operating costs and additional rents not to be included are: utilities (heat, water, electricity, etc.), insurance, taxes of all kinds, common area maintenance (cleaning,

repairs, garbage disposal, janitorial services, etc.), elevator expenses, installation of communications equipment, management fees or commissions, parking and storage revenues.

**Example:**

Contracted Rent (per month) = \$15,000

Inducements, incentives or concessions = \$50,000

Lease length = 60 months

Monthly Net Effective Rent =  $(\$15,000 \times 60 \text{ months}) - \$50,000$  (inducements) = \$850,000 over the length of the lease / 60 months = \$14,166.67 per month.

Add the monthly NERs together to report for the entire building.

Note: Net effective rent may already include past rent free periods as well as inducements/ incentives which were amortized over the life of the lease for which they were issued.

\*\*\* Please ensure that monthly figures are reported for net effective rent. Any yearly amounts must be divided by 12 (*months*) to get the monthly net effective rent. \*\*\*

**(d) What was the dollar value of percentage rent, if applicable (\$)?** C1300 C2300 C3300

This type of rent charged occurs most often in retail, and is defined as a portion of a tenant's revenue paid to the lessor from an event or the standard operation of a business. Please indicate the dollar amount (or best estimate) and not the percentage.

**Example:**

If a retail store in a mall must pay 2% of sales as percentage rent and had reached \$100,000 in sales for a particular month, the store would be required to pay \$2,000 in addition to any Net Effective Rent negotiated in the lease.

$\$100,000 \times 0.02 = \$2,000$

**Question 4 (D4)**

**Please comment on any large change(s) between the months listed above.**

In order to assist Statistics Canada, please give a brief description on any change of 10% or more for each of the following questions:

Reason(s) for changes greater than approximately 10% in the number of tenants who occupied the building: R4100, C4100

For example:

- After holidays, reduction in mall tenants.
- Construction related issues

Reason(s) for changes greater than approximately 10% in total square feet occupied by tenants: *R4200, C4200*

For example:

- Renovation increased square footage from 1,500 to 2,000 for tenant.
- Owner occupied 500 square feet
- Loss of large tenant

Reason(s) for changes greater than approximately 10% in monthly net effective rent: *R4300, C4300*

For example:

- Renegotiation of lease for major tenant.
- Loss of tenant decreased NER by \$1,000.

Reason(s) for changes greater than approximately 10% in percentage rent: *R4400, C4400*

For example:

- High revenues during "Back-to-School" shopping.
- Increase in percentage rents peak shopping times