

THE WALL STREET JOURNAL.

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★★★★ \$1.50

1.66 ▲ 420.41 3.5% NASDAQ 2268.26 ▲ 4.2% NIKKEI 11964.16 ▲ 1.5% DJ STOXX 50 2986.74 ▲ 3.9% 10-YR TREAS ▼ 1 5/32, yield 3.451% OIL \$109.42 ▲ \$3.74 GOLD \$1,003.20 ▲ \$1.80 EURO \$1.5636 YEN 99.56

Smoke and Mirrors

Attention, tenants: Your landlord may raise your rent by increasing the “size” of your office space—without actually increasing it.

According to a study by Commercial Tenant Real Estate Representation, a New York corporate real-estate firm, 16 out of 50 randomly selected office towers in downtown Manhattan have seen their sizes grow more than 5% since 1990—even though there was no floor being added to the buildings or any other evidence of “physical changes.” In other words, the landlords of those buildings have increased so-called rentable space—which includes an allocation of the common areas of the building—without adding to the amount of space tenants can actually use, known as “usable” space.

The upshot: Those buildings could generate as much as \$28 million more in revenue a year as a result of such remeasurement of rental space. “It’s as if you renew a lease on a one-bedroom apartment, and all of a sudden, you are paying rent for a three-bedroom space,” says Marisa Manley, president of the firm.