



Client Enrichment Series

Welcome to today's presentation:

What Goes Into My Agency's Rent Est?

October 15, 2020

The presentation will start at 1:00 pm Eastern

Note: Phones are automatically muted during the presentation. You have the ability to send questions to your fellow attendees and our presentation team via your Chat pane. Our team will answer as many of the questions as possible throughout and at the end of the presentation. All questions will be captured, and answers sent to all participants prior to the next presentation.

FAQs for our Classroom

Missing your slide deck? Check your inbox - if you registered before today - it's in your Inbox. If you registered this morning and didn't receive it yet - we'll get it to you.
clientenrichmentseries@gsa.gov

Do you know I'm here? - Yes, our system takes attendance if you log in to the url (email and the name you registered under).

Can everyone see me and hear me? - No. Only our Host and Presenters have audio and video rights.



What Goes Into My Agency's Rent Est?

October 15, 2020

Presented by:

Jimbo Strachan

Michael Buonocore

Shawntoria Fontenot

PBS Analytics Division (BRC)

Office of the Chief Financial Officer

GSA Central Office



Hosted by:

Rebecca Hood

Customer Strategist, Relationship Specialist

Customer Engagement/WORkplace Solutions Branch

PBS Great Lakes Region - Region 5



Course Agenda

1. GSA Rent Program at a Glance
2. Rent Billing Basics
3. Rent Estimate 101
4. Frequently Asked Questions
5. Q & A Session
6. Resources

GSA Rent Program at a Glance

GSA provides space and services to over 100 federal agencies. 40 U.S.C. requires GSA to charge a commercially equivalent rent for this space. Collected rent is deposited into the federal buildings fund and used to operate buildings and pay rent to the private sector for leased space.

Rent Program Highlights

- GSA manages 1,400+ Federal Buildings and 7,000+ Leased buildings nationwide
- 348M rentable square feet occupied by customer agencies
- 20,000+ Occupancy Agreements bill each month
- \$10.2B+ in billed revenue in FY 2020

Rent Billing Basics

When Federal Agencies come to GSA to find housing the two parties enter into an Occupancy Agreement which lays out the terms including the amount of space to be occupied, and the rates for each rent component.

Rent components includes things such as shell rent, operating cost, tenant improvements (TI), real estate taxes, parking, and joint use.

Once rent billing commences you can can access your rent bills through [Rent on the Web](#).

Sample Rent Bill from Rent on the Web (ROW)

Page Number: 227

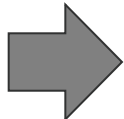
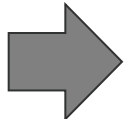
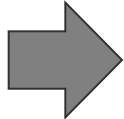
Agency: 47 GSA
 Agency Bureau Code: 4742 FAS-OFFICE SPACE
 Agency Location Code: 47000016

Bill For: March 2020
 Real Property ID: PA0904
 Occupancy Right: 2 Leased
 The Dow Building
 100 S Independence Mall W

Rent Bill No: 20075379
 FIT Bill No: None
 Region: 03
 OA No: APA04375

PHILADELPHIA, PA, 19106-3400
 GSA Contact: brian.tye@gsa.gov
 Tel: (215) 446-5754
 ABC Contact:
 Tel:

	Charge Basis	Annual Rate	Amount Due (Monthly)	Year To Date
1. Shell Rental Rate				
a. General	27,429	\$9.88	\$22,583.21	\$135,499.26
2. Amortized Tenant Improvement Used / General	27,429	\$3.99	\$9,130.89	\$54,785.34
3. Operating Costs	27,429	\$10.05	\$22,976.64	\$137,859.84
A. Market Rent SubTotal	27,429	\$23.93	\$54,690.74	\$328,144.44
5. Amortized Tenant Improvement Used / Customization	27,429	\$0.80	\$1,825.97	\$10,955.82
7. Building Security Features				
d. Building Specific Amortized Capital	27,429	\$0.14	\$316.92	\$1,901.52
9. Parking				
a. Structured (number of spaces)	10	\$4,592	\$3,826.73	\$22,960.38
11. PBS Fee	27,429	\$1.86	\$4,246.23	\$25,477.38
B. Agency Rent SubTotal			\$10,215.85	\$61,295.10
C. Joint Use SubTotal			\$0.00	\$0.00
D. Total Monthly Rent (A+B+C)			\$64,906.59	\$389,439.54
E. Adjustments SubTotal			\$0.00	\$0.00
F. Total Rent Bill (D+E) (Object Class 23.1)			\$64,906.59	\$389,439.54
G. Total Antenna Bill (Object Class 25.3)			\$0.00	\$0.00
H. Total Reimbursable Services Bill (Object Class 25.3)			\$0.00	\$0.00
I. Total PBS Bill (F+G+H)			\$64,906.59	\$389,439.54



Rent Estimate 101

The Rent Estimate provides a baseline to develop the space budget requests

- The **Base estimate** calculates the future cost of currently billing space
- The **Anticipated Space Changes** calculate the change in rent from future increases and decreases in occupied square footage

The Rent Estimate follows a complex set of business rules to apply future rate changes to occupancy agreements

- Mirrors PBS Pricing Policy for escalating existing rates
- Multiple data sources are used to capture future rates as existing rates expire
- Future lease projects and owned draft occupancy agreements feed into the financial forecast to account for changes in space

Rent Estimate 101

Base Rent Estimate

The Base Rent Estimate is the first, of two, components and the foundation of the deliverable GSA provides you. It contains detailed and summary information for your estimated budget requirements based on space that billed in a particular month - typically March.

The Base Rent Estimate formulation does the following:

- It assumes continued occupancy through the entire budget period
- It captures replacement rates when the existing rates in the billing month expire
 - New appraised rates are captured when rates in Federally Owned space expire
 - Estimated market rates are captured when rates in Leased space expire
- It captures, where available, anticipated abatements such as free rent or broker commission credits

Agency: 47 GSA
Agency Bureau Code: 476
Agency

Real Property ID: GA0007

FIT Bill No: None

Occupancy Right: 1 Federal Owned

Region: 04

OA No: AGA04182

1) The Base Rent Estimate applies existing rates thru expiration and then replaces them with a new rate

Month	2022 Rate	2022 Source
OCTOBER	\$ 11.00	OA
NOVEMBER	\$ 11.00	OA
DECEMBER	\$ 11.00	OA
JANUARY	\$ 11.00	OA
FEBRUARY	\$ 11.00	OA
MARCH	\$ 11.00	OA
APRIL	\$ 11.00	OA
MAY	\$ 11.00	OA
JUNE	\$ 11.00	OA
JULY	\$ 11.00	OA
AUGUST	\$ 11.00	OA
SEPTEMBER	\$ 17.11	APPRAISAL
Blended Rate / Annual Amount	\$ 11.51	

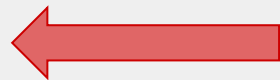
JR. FB
St SW

30303-3490
: whitney.hall@gsa.gov
2942
:

	Charge	Annual Rate	Amount Due (Monthly)	Year To Date
1. Shell Rental Rate				
a. General	5,153	\$11.00	\$4,723.81	\$28,342.86
3. Operating Costs	5,153	\$6.50	\$2,791.40	\$16,748.40
A. Market Rent SubTotal	5,153	\$17.50	\$7,515.21	\$45,091.26
7. Building Security Features				
d. Building Specific Amortized Capital	5,641	\$0.09	\$43.99	\$263.94
B. Agency Rent SubTotal			\$43.99	\$263.94
12. Pro Rata Joint Use Charges				
a. Building Amenities		\$22.85	\$929.01	\$5,574.06
c. Surface Parking		\$1,711	\$4.89	\$29.34
C. Joint Use SubTotal			\$933.90	\$5,603.40
D. Total Monthly Rent (A+B+C)			\$8,493.10	\$50,958.60
E. Adjustments SubTotal			\$0.00	\$0.00
F. Total Rent Bill (D+E) (Object Class 23.1)			\$8,493.10	\$50,958.60
G. Total Antenna Bill (Object Class 25.3)			\$0.00	\$0.00
H. Total Reimbursable Services Bill (Object Class 25.3)			\$0.00	\$0.00
I. Total PBS Bill (F+G+H)			\$8,493.10	\$50,958.60

2) Operating cost escalated either by annual escalation factor or new appraised or leased rate.

3) Rates for other rent components will be grabbed as well and future replacement rates will be pulled in where applicable



Rent Estimate 101

Base Rent Estimate Deliverable

1) The deliverable contains details for all Occupancy Agreements that billed by applicable rent components

Agency Code	Agency Name					
47	General Services Administration					

Occupying Bureau Code	Occupying Bureau Name	OA Number	Shell Rent Amount	Operating Costs Amount	Real Estate Taxes Amount	Real Estate Tax Adjustment Amount
Grand Total			\$ 43,964,625	\$ 16,789,242	\$ 367,770	\$ 900,313
4701 Total			\$ 72,214	\$ 35,649	\$ -	\$ 432
4701	OFFICE OF ADMIN-OCA	ACA11094	\$ 25,973	\$ 8,511	\$ -	\$ -
4701	OFFICE OF ADMIN-OCA	AGA04186	\$ 6,348	\$ 4,186	\$ -	\$ -
4701	OFFICE OF ADMIN-OCA	AIL06974	\$ 11,888	\$ 4,215	\$ -	\$ -
4701	OFFICE OF ADMIN-OCA	AMA03568	\$ 6,264	\$ 2,073	\$ -	\$ -
4701	OFFICE OF ADMIN-OCA	AMO05909	\$ 1,451	\$ 980	\$ -	\$ 22
4701	OFFICE OF ADMIN-OCA	ANY10010	\$ 8,456	\$ 7,293	\$ -	\$ 29
4701	OFFICE OF ADMIN-OCA	APA04839	\$ 3,747	\$ 3,496	\$ -	\$ 381
4701	OFFICE OF ADMIN-OCA	ATX09498	\$ 8,087	\$ 4,895	\$ -	\$ -
4701	OFFICE OF ADMIN-OCA	ATX09794	\$ -	\$ -	\$ -	\$ -
4704 Total			\$ 3,464,541	\$ 1,253,008	\$ 23,581	\$ 23,009
4710 Total			\$ 378,444	\$ 152,633	\$ -	\$ 51

low To Use This File / Rent Estimate In Bill Format / Estimated Total Rent Summary / 2021 Detail By Billing Line / **2022 Detail By Billing Line** /

2) The file also contains multiple tabs with information on how to use the file, an estimate queryable tool, and detailed estimate data for the years in the estimate window

Rent Estimate 101

Anticipated Space Changes

Since the Base Rent assumes continued occupancy at a static square footage, Anticipated Space Changes (also called Inventory Changes or ICs) are needed to account for future, known, changes in space.

Four Types of Inventory Changes:

- New OA- Brand new occupancy or replacing an existing occupancy.
- Expansion- Increasing RSF at an existing occupancy
- Reduction- Decreasing RSF at an existing occupancy
- Termination- Ending an existing occupancy

Inventory Changes leverage monthly data generated by the Base estimates to calculate the increases/decreases in rent associated with a space change. Any future rate changes captured in the Base will be reflected in the Inventory Change amounts.

Rent Estimate 101

Anticipated Space Changes, part 2

Where does the data come from? It depends on the space type:

Federally Owned occupancies

- PBS Asset Managers, in coordination with OCFO Revenue Managers, create and manage inventory change records directly in the Rent Estimate system
- The user inputs the details (effective date, change in sqft)

Leased occupancies

- PBS Realty Specialists create projects in the PBS Inventory System (Rexus) to capture upcoming lease replacements, extensions, or terminations
- The Rent Estimate system has a direct link to this data and will automatically create a space change record if the project contains a new sqft
- The effective date and change in sqft are pulled from the project details

Regardless of the space type, inventory change records for *new space* can be pulled from a draft or signed occupancy agreement

Rent Estimate 101

Anticipated Space Changes, part 3

OA Data for AWA07123 - Draft

OA Number AWA07123
 Associated OA Version 3-Draft
 New Lease Number LWA00243
 Associated Lease(s)
 Building Number WA8075
 Building Name Columbia Bank Center
 Building Address 1301 A Street TACOMA WA
 AB Code 4704
 AB Name GSA OFFICE OF INSPECTOR GENERAL
 Effective Date* 06/22/2021
 Expiration Date
 Rentable SF 1,488.10
 Joint Use SF 0
 Str. Parking 0
 Sur. Parking 5
 JU Str. Parking 0
 JU Sur. Parking 0

Broker Commission Credit

Monthly Amount
 Expiration Date

Free Rent Period

Effective Date
 Expiration Date

	Annual Rate	Monthly Amount
Shell Rent	\$ 19.350581	\$ 2,399.63
Operating Costs	\$ 7.780000	\$ 964.79
Real Estate Tax	\$ 2.000000	\$ 248.02
TI General	\$ 3.602248	\$ 446.71
TI Custom	\$ 0	\$ 0
GSA Installed Improv.	\$ 0	\$ 0
Capital Security	\$ 0.750885	\$ 93.12
Rentable SF	Total Rate/RSF	Monthly Amount
1,488.10	\$ 33.483714	\$ 4,152.27

Month	IC Impact
October	\$0
November	\$0
December	\$1,915
January	\$1,915
February	\$1,915
March	\$1,915
April	\$1,915
May	\$1,915
June	\$4,443
July	\$4,464
August	\$4,464
September	\$4,464

Total FY 20 Rent Impact	\$0
Total FY 21 Rent Impact	\$0
Total FY 22 Rent Impact	\$29,323

Important Aspects of an IC:

- Effective Date
- Change in Rentable SF
- Rates

Anticipated Space Changes Deliverable

Agency Code	Agency Name	Occupying Bureau Code	Occupying Bureau Name	Type of Change	Total Impact on 2020 Rent	Total Impact on 2021 Rent	Total Impact on 2022 Rent	Effective Date of Change	Expiration Date of Change	Change in RSF	Rate per RSF
47	General Services Administration										
Grand Total					\$ 161,646	\$ (3,528,770)	\$ (6,062,267)			62,513	
4701 Total					\$ -	\$ -	\$ -			2,231	
4704 Total					\$ 11,235	\$ -	\$ -			(452)	
4706 Total					\$ -	\$ 1,800	\$ -			8,957	
4710 Total					\$ -	\$ -	\$ -			8,858	
4720 Total					\$ -	\$ 1,300	\$ -			8,841	
4732 Total					\$ -	\$ -	\$ -			2,091	
4737 Total					\$ -	\$ (19,200)	\$ -			8,321	
4742 Total					\$ (1,544)	\$ 11,800	\$ -			1,652	
4742	FAS-OFFICE SPACE			Termination	\$ (1,544)	\$ (6,210)	\$ (6,563)	6/25/2020		(380)	\$ 16.12
4742	FAS-OFFICE SPACE			NewOA	\$ -	\$ 12,072,934	\$ 12,310,920	10/1/2020		239,038	\$ 48.13
4742	FAS-OFFICE SPACE			Termination	\$ -	\$ (184,099)	\$ (757,877)	6/21/2021		(26,055)	\$ 24.51
4742	FAS-OFFICE SPACE			Reduction	\$ -	\$ -	\$ (13,568)	10/1/2021		(377)	\$ 32.07
4742	FAS-OFFICE SPACE			Termination	\$ -	\$ -	\$ (3,445)	6/30/2022		(574)	\$ 22.64
4780 Total					\$ 150,813	\$ 150,813	\$ -			57,307	
4793 Total					\$ 1,125	\$ 6,720	\$ 6,918			228	
4794 Total					\$ 17	\$ -	\$ -			120	

1) IC detail is by occupancy agreement.

2) Color coding is based on effective date.

- Red: 2020
- Green: 2021
- Blue: 2022

3) Inventory Changes are divided into two tabs: Owned and Leased.

Rent Estimate 101

Putting It Together in the Exhibit 54 Space Budget Justification

An Agency's Rent Estimate figure is calculated by adding the Base Rent Estimate to the Inventory Changes.

4742		PY	CY	BY	BY+1	RSF	
RSF		523,670	523,670	523,670	523,670	← Base Rent Estimate	
Rent Estimate Base		\$ 13,221,616	\$ 13,655,027	\$ 14,476,332	\$ 14,765,859		
<i>Owned</i>	PY	(\$ (1,544)	(\$ (6,210)	(\$ (6,563)	(\$ (6,694)	(380)	
	CY		\$ 11,888,835	\$ 11,553,044	\$ 11,784,105	212,983	
	BY			(\$ (17,013)	(\$ (17,353)	(951)	
	BY+1				\$ -		
		(\$ (1,544)	\$ 11,882,625	\$ 11,529,468	\$ 11,760,057	← Inventory Changes	
<i>Leased</i>	PY	\$ 29,127	\$ 58,332	\$ 59,692	\$ 60,885	1,438	
	CY		(\$ (1,177)	\$ 306,711	\$ 312,845	15,269	
	BY			\$ 3,190	\$ 3,254	574	
	BY+1				\$ -		
		\$ 29,127	\$ 57,155	\$ 369,593	\$ 376,985		
Summary of Inventory Change in Dollars						Sum of IC Change in RSF	
<i>Combined</i>	PY	\$ 27,582	\$ 52,122	\$ 53,129	\$ 54,191	1,058	
	<i>Owned & Leased</i>	CY		\$ 11,887,658	\$ 11,859,755	\$ 12,096,950	228,252
		BY			(\$ (13,823)	(\$ (14,099)	(377)
		BY+1				\$ -	-
		\$ 27,582	\$ 11,939,780	\$ 11,899,061	\$ 12,137,042		
Projected Agency Budget						← Base + Inventory Changes	
SF		524,728	752,980	752,603	752,603		
Rent Amount		\$ 13,249,198	\$ 25,594,807	\$ 26,375,393	\$ 26,902,901		

Rent Estimate 101

Timeline of the Rent Estimate

- March 15: Annual Rent Estimate formulation begins
 - Base Rent Estimate developed
 - Inventory Changes compiled from nationwide GSA OCFO offices
- Early May: Deliver Rent Estimate to OMB
- May - June: OMB Examiners review, briefings, follow-ups. Work with OMB for Rent Estimate approval
- July - August: Rent Estimate is approved and sent to customers
- September: Agency budgets due to OMB

Frequently Asked Questions

1. Why does the Rent Estimate show a future increase in rent when I am not changing space?
 - a. In most cases, a new appraisal or new lease rate is being applied to rates that are expiring.
2. Why does the Rent Estimate data not match my latest internal information?
 - a. The Rent Estimate is a snapshot based on March billing. It is possible that more up-to-date information has become available since the data was pulled in the Spring. The Exhibit 54 process is where you can apply these updates.
3. Why haven't I received my Rent Estimate yet?
 - a. Once formulation of the annual Rent Estimate is complete, we deliver our data to OMB and await approval before distributing materials to our customer agencies.
4. How can I get on the contact list for the official annual distribution?
 - a. Please send an email to gsa.pbs.revenue.division@gsa.gov and we will add your name to our list.

Resources

- [Rent Pricing Policy](#)
 - The latest Pricing Desk Guide and can be found [here](#).
- [Rent Library](#)
 - Information about the Exhibit 54 Space Budget Justification can be found [here](#).
- [Rent on the Web](#)
 - Instructions on accessing the online monthly bill portal can be found [here](#).
- [Electronic Occupancy Agreement \(eOA\) Tool](#)
 - Information and instructions on accessing the real-time Occupancy Agreement information and documentation tool can be found [here](#).



Thank you for joining us today for a discussion on ***What Goes Into My Agency's Rent Est?***

Jimbo Strachan

Director
GSA OCFO, PBS Analytics
jimbo.strachan@gsa.gov

Michael Buonocore

Rent Estimate Lead,
GSA OCFO, PBS Analytics
michael.buonocore@gsa.gov

Shawntoria Fontenot

Financial Management Analyst
GSA OCFO, PBS Analytics
Shawntoria.fontenot@gsa.gov

Questions?

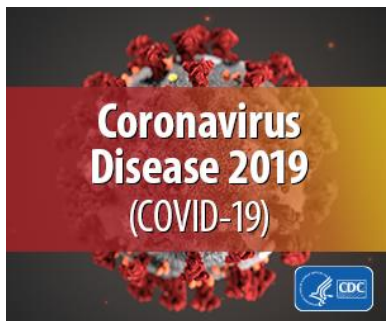


Join us for our upcoming VIRTUAL CES sessions

RWA National Policy Manual Highlights

November 10th, 2020 1pm-2:30pm eastern

Register Now



GSA's COVID-19 Resources for Customers

See our [COVID-19](#) and our [Returning to GSA Facilities](#) websites for for our emergency response activities and guidance

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