



OFFICES2SHARE.com®
Ready-To-Use Office Space Solutions™

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Selecting the Right Office Space for Your Small Business

Renting office space, especially for the first time, represents a major milestone for most small businesses. You've had some initial success and now you are ready to grow and take the next step.

How do you begin?

There are many resources online and offline that will help you write a business plan, find financing and hire employees, but unfortunately there are few resources to help you find an office. Don't count on finding too many real estate brokers willing to show you the way. Their commissions are based on how many square feet you rent, so unless you need an office of several thousand square feet (space for 10 people or more) you're pretty much on your own.

But don't worry - this is not rocket science. The following questions and answers should help you in selecting the right office space for your small business.

Q – When should I first consider renting office space?

A – Usually under one or more of the following circumstances:

- 1- When you start hiring people – having employees working in your home is generally not a good idea. At the very least, it can present many awkward situations. Also, there may be legal and insurance ramifications of doing so. For example, many communities have zoning laws that restrict or prohibit businesses to be operated from residential properties.
- 2- You have clients that need to visit you. It is unprofessional to bring a client to your home office with a baby crying or the dog barking in the next room.
- 3- Your home is too small to operate from or there are too many distractions.

Q – OK, I'm ready to rent an office. What is the most important thing for me to consider?

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A - Flexibility. At the startup and early stages of your company's development, 99% of you should never consider renting office space with an initial lease term of more than 12 months no matter how enticing the landlord tries to make a longer term deal.

Q – Why? Isn't 12 months a very short amount of time?

A – Not at all. In fact, a longer lease term could be catastrophic for your business and for you. Despite your optimism and hard work, you have no idea if your start-up or early stage company will go bust within the year or triple in size.

- 1- If your business doesn't make it, you will still be obligated to continue paying rent for the entire remaining lease term. Obviously, the longer the term, the longer your ongoing obligation. In most cases, you probably need to personally guarantee the lease, so unless you decide now to declare personal bankruptcy (not so easy anymore), you will be stuck with these continuous payments.
- 2- If, on the contrary, you are experiencing success and your business is growing rapidly, you still have a problem if you're locked into a long-term lease. You may now find yourself severely overcrowded in space that you have outgrown, and your long-term lease restricts your growth and your ability to attract and hire new employees. Of course, you can always keep that space and try renting additional space in the same building or across the street, but that kind of split operation can become a managerial nightmare.

Q – Couldn't I avoid the scenarios you've just described by subletting the space?

A – Possibly – assuming, of course, that you have the right to sublease under your lease agreement. Most standard lease agreements do not automatically allow subletting, so unless you asked for it and negotiated its terms, you cannot assume that you have that right. Even if you do, you may be forced to sublease at a lower rental rate than what you are paying due to market conditions and your own, perhaps desperate, circumstances. In any event, you will still remain obligated to cover any shortfalls in rent. Also, you may need to use the services of a real estate broker to find your subtenant, and you will need to hire an attorney to prepare the sublease documents – all of which will result in additional costs to you.

Q – So how do I select the right office space for my small business and avoid the problems that you've described?

A – That's easy!! You need to rent short-term, ready-to-use office space.

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Q – What’s that?

A – That’s office space in move-in-condition that you can rent from 1 month to 12 months at a time. This is office space that is uniquely suitable for start-up and early stage companies and will effectively help you avoid the problems that we’ve discussed.

There are two main providers of short-term, ready-to-use office space:

- 1- Executive Suites, also known as Office Business Centers
- 2- Shared Office Space

Q – What’s an Executive Suite?

A – An Executive Suite is a professionally managed provider of shared office space, meeting rooms and business and administrative services. Typically, an executive suite company rents an entire floor or two in a well-located office building and subdivides that space into a large number of offices for rental to individual businesses such as yours. These individual offices range in size from about 100 square feet (suitable for 1 person) to several hundred square feet (suitable for up to 5 people or more). In most cases, these offices are furnished, carpeted and prewired for telephones and high-speed Internet access.

Additionally, you will have access to conference rooms, office equipment (e.g. copiers) and services such as receptionist, telephone answering, videoconferencing, secretarial and administrative services. There are no up-front construction or renovation costs, and most importantly you will have flexibility in the length of the lease term. These offices are usually rented for 6 – 12 months at a time, and many executive suites will rent for a lease term as short as 3 months or even on a month-to-month basis.

Q – What are some of the other benefits of renting an office from an Executive Suite?

A – Here are some additional advantages:

- No Capital Investments – There is no need to buy office equipment or furniture.
- Reduced Staffing Requirements – A receptionist is typically included in your rent and secretarial and administrative services are available on an as-needed basis, so you only need to pay for those services when you use them.



- **Advanced Technical Features** – Executive Suites often feature top-of-the-line office equipment, telephone and voicemail, videoconferencing, high-speed Internet access, etc.
- **Growth** – You have flexibility to expand or contract your space needs on short notice. This is especially useful for companies that have seasonal or cyclical requirements.
- **Instant Occupancy** – Often you can rent the office in the morning and move in that afternoon. No lengthy lease agreements means little or no attorney costs.
- **All-Inclusive Monthly Costs** – Your monthly invoice will include all costs – heating, air-conditioning, electrical, cleaning, telephone, Internet, furniture, etc.
- **Virtual Offices** – For those of you who aren't ready for an actual office space, most Executive Suites offer what is known as a virtual office. This is perfect if you just require a prestigious mailing address with additional service options such as telephone answering and the occasional use of a conference room or office.

Q – Are there any downsides to an Executive Suite?

A – Executive Suites are often located in high quality office buildings (Class A) in main business districts. So if you are looking for a funky space for your Internet or artsy company where you can bring your dog to work, or if you are looking for very inexpensive space, then an executive suite may not be the right choice for you. Further, if you need space for 10 or more people, the executive suite option may start to become rather expensive. At that point, you may want to consider subleasing your own space of 1000-2000 square feet - although you will still want to keep the lease term as short and as flexible as possible.

Q – What about Shared Office Space - the other type of short-term, ready-to-use office space that you mentioned earlier?

A – Renting Shared Office Space is an opportunity for you to sublease and share office space with another company that has excess office space available. Perhaps they downsized, or perhaps they initially rented extra space for their future growth and want to rent it out until needed.

Q – What are the advantages of renting Shared Office Space versus an Executive Suite?



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A – There are three advantages:

1 – There are far more shared office space opportunities than executive suites. While there are approximately 3000 executive suite locations throughout the United States (each location contains around 50 offices on average), there are hundreds of thousands of shared office space opportunities.

2 – Due to the large number of available shared office opportunities, it is much easier to find that funky space for you and your dog, or an inexpensive space in a secondary or tertiary building or location.

3 – In addition to finding suitable office space, many companies want to share space with a complementary business. For instance, a tax attorney may want to share space with an accounting firm or a web site designer may want to share space with a software programmer.

Q – What are the disadvantages of shared office space versus an executive suite?

A – Professionally providing and managing shared office space is an executive suite company's only business, and therefore it has more experience and incentives to provide your business with first class space and services. On the contrary, shared office space opportunities only exist because a company happens to have some excess office space. Since renting office space is not its main business, the quality of the office space and the services provided, if any, can be somewhat hit or miss. Moreover, personalities and other problems, such as playing loud music, may come into play. Nevertheless, shared office space offers many of the same benefits as an executive suite and it is therefore a viable alternative to consider.

Q – OK, I'm now convinced that a short-term, ready-to-use office space is the right choice for my business. How can I easily find such a space?

A – **Offices2share.com** is a free nationwide search engine for short-term, ready-to-use office space that has been helping small businesses like yours since 1999. It has thousands of executive suites and shared office space opportunities listed on its Web site. Please go to <http://www.offices2share.com> to find the perfect office space for your business.