The ABCs of Building Classifications

(Literally)

There are three different building classifications, A, B, and C, and the majority of you have probably all heard something to the effect of, "Class A Office Building For Sale," but what does that mean? 'A' seems as though it would be the perfect type of building right? Is it like school? Are we all striving for straight 'As'? What is the difference between them? We are going to dive right in and fill you in on what you need to know.

A: As you probably could have assumed, A is the highest building classification. These buildings are NEW, NEW, NEW! They are the most modern buildings and are up to date with the latest technology. Class A buildings have visually appealing exteriors, are located in prime areas such as the central business district, and are very well maintained. These buildings attract higher quality tenants and have the highest rents, but typically offer several extra amenities for their tenants.

B: The second highest classification of building is, surprise, surprise Class B. Class B buildings are a tad older than Class A and can be a little outdated. These buildings are still well taken care of and are located in average to above average areas. The rents of these buildings fall within the market average so they still attract high quality tenants.

C: And finally the lowest Class of building is, say it with us now, Class C. These are older, unkempt buildings that are most likely located in less desirable areas. They have outdated interiors and exteriors and are in need of renovations. Class C buildings offer the lowest rents and can be excellent development opportunities.

So what do you think? Is 'A' the best? Let's only look at buildings with a Class A rating, right? WRONG! Instead of focusing on the Class of building, you need to first focus on what is best for your company. Do you need to be in the city's central business district? Are you just starting off? Can you only afford a Class C building? That's OKAY! This classification system is not perfect, in fact, a building that is classified as 'A' in one market could be 'B' in another.

Takeaways: Do NOT weigh the classifications of a building too heavily in your search process. Obviously do your research on the building, but make sure to choose a space in which your company can THRIVE!