

SHIVEHATTERY
ARCHITECTURE + ENGINEERING

SECOND-GENERATION OFFICE SPACE

DUE DILIGENCE CHECKLIST

The best office decisions are made with a complete understanding of what's behind the walls, above the ceiling, and built into the building's infrastructure. Use this checklist during on-site tours to evaluate existing/as-is space against your program. Each category flags the modification most likely to turn a "great deal" into a costly surprise, so you can push for answers before you submit an LOI.

01. EXISTING BUILD-OUT CONDITION

- [ ] Walk every wall, door, and ceiling tile. Note damage, wear and non-standard finishes.
- [ ] Check flooring condition, including carpet wear patterns and subfloor damage under removed carpet tile.
- [ ] Assess glass/glazing condition (storefront, interior office fronts).
- [ ] Confirm what the landlord will restore vs. leave as-is.

Budget buster: *Full demo of non-reusable partitions and ceiling grid can be a large expense, comparable to a full build-out even before you add anything new.*

02. LAYOUT FIT VS. SPACE PROGRAM

- [ ] Count private offices vs. open desks against your headcount plan.
- [ ] Count/size conference rooms against your meeting needs.
- [ ] Trace circulation paths to see whether they support your team's workflow.
- [ ] Check window-line allocation for private offices vs. open seating.

Budget buster: *Reconfiguring from a heavy private-office layout (e.g., law firm) to an open plan involves moving power and data drops, not just walls.*

03. MEP SYSTEMS — AGE, CONDITION, CAPACITY

- [ ] Ask for age and maintenance records on HVAC units (rooftop or in-ceiling).
- [ ] Confirm electrical panel capacity/amperage vs. your load needs.
- [ ] Check plumbing condition, especially if adding kitchens/pantries.
- [ ] Inquire about remaining useful life on major equipment (in years, not just "it works").

Budget buster: *HVAC unit replacement or electrical service upgrade. Expect $50K–$200K+ per unit/panel, and often not covered by standard tenant improvement (TI) allowances.*

04. SLAB-TO-SLAB HEIGHT/CEILING CLEARANCE

- [ ] Measure the actual clear height above the finished ceiling.
- [ ] Look for dropped ceilings hiding ductwork or cable trays.
- [ ] Confirm clearance is sufficient for exposed-ceiling aesthetic, if desired.
- [ ] Check clearance for any new HVAC distribution you plan to add.

Budget buster: *Rerouting ductwork or sprinkler mains to raise the ceiling height can require engineering redesign and is sometimes structurally infeasible at any price.*

05. CABLING/IT & TELECOM INFRASTRUCTURE

- [ ] Ask for cabling documentation: type (Cat5e/Cat6, fiber) and age.
- [ ] Visually inspect telecom/IDF closets for condition and capacity.
- [ ] Confirm whether existing cabling is usable or must be stripped (fire code often requires abandoned cable removal).
- [ ] Check point of entry for carrier diversity/redundancy.

Budget buster: *Mandatory abandoned-cable removal (fire code) plus full re-cabling can add up quickly.*

06. CODE COMPLIANCE TRIGGERS

- [ ] Ask landlord/architect whether your project scope triggers code upgrades (ADA, fire and life safety, energy code).
- [ ] Check restroom compliance if adding headcount.
- [ ] Review egress/occupancy load against your planned density.
- [ ] Confirm sprinkler coverage meets current code for your use.

Budget buster: *An ADA restroom retrofit or full-floor sprinkler system upgrade, triggered by "substantial improvement" thresholds, can appear even in areas you never planned to touch.*

07. ENVIRONMENTAL/HAZARDOUS MATERIALS

- [ ] Ask for any existing Phase I ESA or asbestos (ACM) survey.
- [ ] Flag pre-1980s buildings for likely asbestos in flooring adhesive, pipe insulation and ceiling tile.
- [ ] Look for water damage/mold signs behind walls or in ceiling.
- [ ] Confirm who pays for abatement cost if found (landlord vs. tenant).

Budget buster: *Asbestos abatement during demo can increase expenses and cause significant schedule delays if discovered mid-construction.*

08. FF&E INCLUDED IN THE DEAL

- [ ] Get an itemized list of furniture/equipment staying vs. removed.
- [ ] Assess the usability and condition of systems furniture like cubicles and workstations.
- [ ] Confirm removal/haul-away responsibility and cost if not usable.
- [ ] Count usable FF&E as a credit when comparing your options.

Budget buster: *Haul-away and disposal of unusable systems furniture is often a surprise tenant cost, unless previously negotiated into the LOI.*

09. DEMO COST VS. TI ALLOWANCE

- [ ] Get a general contractor estimate for demo before assuming savings over first-gen spaces.
- [ ] Compare landlord's TI allowance against total estimated cost (demo + new build).
- [ ] Confirm what counts toward TI (soft costs, permits, etc.).
- [ ] Model worst-case scenario where demo costs exceed the TI allowance.

Budget buster: *Underestimating demo scope — second-gen "savings" evaporate fast if demo + code-compliance costs exceed what a shell space build-out would have cost.*

10. BUILDING SYSTEMS & AMENITIES

- [ ] Check elevator age, condition and wait times during a peak-hour visit.
- [ ] Assess common areas and restroom finishes for dated feel.
- [ ] Confirm that building amenities (fitness, conferencing, lobby) align with your recruiting needs.
- [ ] Ask about planned capital improvements/building upgrades.

Leverage point: *This one isn't a tenant cost. Outdated building systems affect your ability to recruit and retain talent, and your future sublease value. Use them to negotiate lower rent or a larger TI allowance.*

BRING THIS CHECKLIST ON EVERY TOUR.

Items 3, 6, and 7 are the hardest to spot on a walkthrough and the most likely to blow the budget. Push hard for documentation on all three before you submit an LOI.

Shive-Hattery's workplace strategy and design team can tour spaces with you, flag hidden costs early and run a test fit before you commit.

EXPLORE CASE STUDIES ON OUR WEBSITE:
shive-hattery.com/second-gen-office-space-checklist/

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