Business Incubator and Brownfield Redevelopment Tenant Space Inventory Guide

There is a significant supply/demand mismatch in almost every commercial real estate market. The vast majority of business establishments are small [75%-80% have 9 or fewer employees], but most commercially developed industrial/commercial projects aim at larger size tenants. Matching the selection of rental unit sizes to your actual potential tenant population can significantly increase the speed to occupancy and profitability for your redeveloped or newly constructed multi-tenant business property.

Generally, it is best to have lots of small units. This exercise strives to "aim" your investment in a practical manner. Variables to be considered include the building's structure, column spacing, market density, and the project's targeted mission.

Please review this example [based on US Census CBP info] for an 80,000 SF industrial/commercial mixed-use incubator:

Meaning of Employment size of establishments code	Year	Number of establishments		Ave SF per Job	Ave Jobs per Estab.	**Ave SF per Estab.**	**EXAMPLE 80,000 SF**	**# OF UNITS**
All establishments	2021	8,148,606		500				
Establishments with less than 5 employees	2021	4,614,481	**56.6%**		3	**1,500**	45,303	**30**
Establishments with 5 to 9 employees	2021	1,434,428	**17.6%**		7	**3,500**	14,083	**4**
Establishments with 10 to 19 employees	2021	988,092	**12.1%**		15	**7,500**	9,701	**1**
Establishments with 20 to 49 employees	2021	702,372	8.6%		40	20,000	~~6,896~~	
Establishments with 50 to 99 employees	2021	223,604	2.7%					
Establishments with more than 100 employees	2021	185,629	2.3%					

NB - Industrial = 900 to 1,500 SF per job/Commercial = 500 to 750 SF per job/Office = 150 to 200 SF per job/Mixed-Use Average = 400 to 600 SF per job