Policy No. 2010-001
Title: Speculative use commercial buildings.
Code: 2006 International Building Code
Chapter: Chapter 1, Administration
Level of Policy: Departmental
Date Issued: February 3, 2010
Developed by: Jim Tinner, CBO
Date Revised: N/A
Revised by: N/A
Approved by: Jim Tinner
Supersedes: All prior
See Also:

Purpose
To provide an occupancy classification for speculative use commercial buildings.

Scope
All new commercial buildings where the occupancy classification of one or more spaces is indeterminate at time of permit issuance.

Definitions
Speculative use means a portion of a building constructed to house one or more potential and undetermined occupancy classifications.

Policy/Conditions
Speculative use commercial buildings (AKA shell buildings) will be assigned an International Building Code occupancy classification of S-1. Upon final approval, the speculative use portions of the building shell will be issued a Certificate of Occupancy with the S-1 classification thereon.

Products stored (if any) and activities undertaken in speculative use buildings must also be in conformance with land use and fire code regulations.

As spaces are converted to a known use, a new Certificate of Occupancy will be issued for each of those spaces. Such Certificates of Occupancy will bear the actual assigned occupancy classification of that space.

No Certificate of Occupancy for a tenant space will be issued before either the building shell Certificate of Occupancy has been issued or a temporary Certificate of Occupancy has been issued.

In cases where a temporary Certificate of Occupancy is requested for speculative use buildings a performance bond or equivalent equal to at least 150% of the value of the outstanding work will be required.

Rationale
The International Building Code has mandatory provisions for issuing a Certificate of Occupancy. There is no exception for speculative use buildings. There have been multiple instances where tenant improvement work has been undertaken and completed before the building shell is finished. This has lead to occupancy of building spaces while code required work for the building shell is outstanding.

References/Sources
IBC Section 111

Appendix/Attachment

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