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Cellular Antennas As an Income Source

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CO-OP corporations and condominium associations looking to produce a little extra income might consider looking up rather than around. A building's roof has for some time now been good for a lot more than keeping out the rain.

These days, it is becoming increasingly common, real estate specialists say, for owners of tall buildings -- and, occasionally, not-so-tall buildings -- to be approached by cellular phone companies looking to rent space on the roof for antennas. "The amount of money some buildings get is significant," said **Adam Leitman Bailey**, a Manhattan real estate lawyer. Mr. Bailey noted that one client is receiving \$2,600 a month for renting out just 400 square feet of roof space. "It's like having an extra apartment," he said.

Ken Schmidt, the owner of a cell-tower lease consulting company in Fort Myers, Fla. -- steelintheair.com -- said New York City is a particularly fertile area for wireless antennas. (He works with buildings to negotiate better deals; a normal consultation, he said, is about \$400.)

"Radio frequency waves bounce off things when they travel from an antenna," he said. "With many big buildings, radio waves bounce around a lot. That's why New York is a nightmare for wireless operators."

He said that while a cellular antenna transmission in the suburbs or rural areas might reach several miles, city transmissions may be good for only a couple of blocks. So wireless carriers are constantly looking for new locations.

Mr. Schmidt noted that while building owners generally think that only very tall buildings are good candidates, that is not always the case. "The ideal antenna height is going to depend on the technology," he said. "Taller buildings are more likely to be approached by two-way radio companies and paging companies. Wireless carriers are usually looking for lower locations, about 50 to 100 feet high." So, Mr. Schmidt said, even a 5- or 10-story building can be a good candidate. And the monthly rent can range from hundreds to thousands of dollars, depending on location.

The first thing a building owner should do, he said, is respond promptly, because once a carrier decides it needs an antenna, it will probably contact several property owners. The first to respond, he said, has a better chance of getting the lease.

Also, Mr. Schmidt said, if a building's roof is good for one carrier, it is probably good for others. "A carrier is going to design the installation to optimize it for their purposes," he said. "But you want to make sure one carrier's design doesn't make it impossible for others to install antennas."

Antennas can interfere with one another if not spaced properly, he said, so a building owner might want to hire a radio-frequency engineer to identify spacing that allows for multiple antennas.

Mr. Bailey said that some leases proposed by carriers have a non-competition clause that may limit the installation of other antennas. But, he said, the clauses can often be eliminated in negotiations.

"You also want to make sure the carrier will check the roof's structural integrity," he said, explaining that the contract should require the carrier to hire an engineer to make sure the roof can support the antenna. "And you want the carrier to get liability and casualty insurance for at least a few million dollars."

Some people believe the antennas may pose a health risk -- studies have been inconclusive, though most have not found a link -- so Mr. Schmidt said boards might want to poll residents before signing a lease.

Finally, **Mr. Bailey** said, building owners should try to keep the lease term as short as possible, to renegotiate a better rent or talk with another carrier at an earlier date.

"Many carriers start out by asking for a 20- or 25-year term," he said. "But they'll usually settle for less."