



Business Success Today

Business Insights Brought to You by Your Real Estate Professional

Everest Commercial Real Estate Services

Successful Real Estate Solutions

The Everest Group was recently involved in the following transactions.

- ▲ Adam Simon represented the Landlord in renewing 10,500 SF of office/warehouse space to Midwest Sea Salt, LLC at Corporate Woods located at 4460 Lake Forest Drive in Blue Ash, Ohio.
- ▲ Sonny Saeks represented the Seller in the sale of the 8,635 SF medical office building located at 111 Vandament Way in Mt. Orab, Ohio.
- ▲ Karen Duesing represented the Buyer in purchasing 2.151 acres at 10220 Suspension Bridge Road in Whitewater Township, Ohio.
- ▲ Adam Simon represented the Seller in the sale of a 13,200 SF office/warehouse building located at 10671 Techwoods Circle in Blue Ash, Ohio.
- ▲ Sonny Saeks represented the Seller in the investment sale of a 5,468 SF leased medical office building located at 210 N. Union Street in Bethel, Ohio.
- ▲ Karen Duesing represented the Landlord in leasing a 2,480 SF freestanding retail building located at 11570 Lippelman Road in Tri-County, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Seller in the sale of the 7,500 SF industrial building on 0.882 acres located at 11445 Rockfield Court in Sharonville, Ohio.
- ▲ Karen Duesing represented the Seller in the sale of the 8,292 SF freestanding retail building located at 11473 Chester Road in Tri-County, Ohio.
- ▲ Adam Simon represented the Landlord in leasing 6,000 SF of office/warehouse space at 11264 Grooms Road, Suite C, Blue Ash, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Landlord in leasing 6,000 SF of office/warehouse space at 1236 Clough Pike in Batavia, Ohio.
- ▲ Adam Simon and Frank Torbeck, SIOR, represented the Landlord in leasing 7,369 SF of office/warehouse space at Crowne Point, 2441 Crowne Point, in Sharonville, Ohio.

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Building Owners Should Reexamine Their Amenities

A renewed emphasis on amenities is one of the biggest trends in the U.S. commercial real estate industry. Today's office tenants are seeking features that are as modern as the demographic they appeal to.

Fully equipped and professionally staffed fitness centers are quickly replacing basement corner gyms. Owners are investing more money in health-focused amenities like climbing gyms, spinning rooms, and even dance studios. A key factor driving this trend is the new millennial tenant. Today's savvy real estate owner understands that in order to appeal to this group, buildings must include lifestyle-focused amenities. Some of the amenity trends to look for include:

Transit-oriented developments: A recent PricewaterhouseCoopers report noted that U.S. developers will move their focus from single-purpose buildings toward mixed-use and transit-oriented projects. Expect to see lots of joint venture projects between developers and retailers and lifestyle brands.

It's about technology: Millennial tenants are impatient and want answers immediately. Offices across the country will begin to embrace technology in a whole new way. Owners may retrieve HVAC controls from property managers and offer them to tenants through cloud-based software, so they can control their heating, lighting, and Internet remotely.

It's nice to share: The millennial worker likes freedom and the opportunity for informal information sharing. To attract this worker, owners and property managers are developing common workspaces and central gathering points that combine great wireless connectivity with aesthetics that promote relaxation.

How to Capitalize on the Trend toward Urbanization

More than almost any other development affecting the commercial real estate industry in the past several years, the urbanization of North America has probably had the greatest impact.

And it will continue to do so for years to come. The industry will need research, strategies, and new approaches to meet – and capitalize on – the challenges.

Defined as a dramatic increase in population throughout cities and towns (as compared to suburban or rural areas), urbanization has been with us for what seems like forever.

In fact, it was the Industrial Revolution of the 18th and 19th centuries that triggered the first wave of urbanization, as manufacturing jobs replaced farm work and workers moved from rural areas into city centers.

Urbanization now

But never has urbanization been more dramatic in terms of speed or scope as in the current decade. And it's 21st-century demographics that are driving today's move to city centers. The so-called millennial population (also known as Generation Y and born between 1980 and the 2000s) is the current force behind the urbanization of North America.

Demographers refer to this generational transition as a "tipping point." This population of nearly 100 million,

desires the benefits of an urban live-work-play environment. Gen Y workers also recognize the economic value and lifestyle perks of a short work commute and more flexible hours.

And this group also has financial clout: according to global consultant Accenture, the U.S. millennial population spends some \$600 billion annually, and that number is expected to reach \$1 trillion by 2020. They're also responsible for most of the new tech start-ups in North America.

Strategizing

To sum up: understanding urbanization and millennial needs and wants will help guide strategy through every layer of the North American commercial real estate stack for decades. For commercial real estate owners and developers, this will mean rethinking every aspect of building operations, from property management to leasing processes.

Owners now need to be intensely focused on attracting millennials and creating an environment that appeals to their live-work lifestyle; low vacancy rates will be greatly helped by persuading these future business owners to remain in the building.

The industry may want to conduct extensive market research to anticipate where growth opportunities will bloom, and also examine the landlord profit potential for future lease renewals.

Note: Don't be afraid to leverage this to the fullest.

Finally, take a really good look at potential office space, and visualize what will be necessary for company growth.

What will it take to make this office space both efficient and a great work environment? Address amenities for employees, optimal office configuration, and updated technology infrastructure.

Smart landlords will recognize the benefits and potential value of a growing company, and may even decide to offer to incur some of the update and rebuild costs. And note, tenant retention is especially critical during lease renewal time.

The urbanization of North America will affect the industry for some time. Spot the opportunities, and the impact will be positive.

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