



# TRISTAR

REAL ESTATE INVESTMENT

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## Office Investments- a new perspective

Greetings!

The growth of the work force in the US is strong. With so many new jobs, where are all the construction cranes that we've seen in previous economic booms? (FYI-most of the cranes you see now are apartment developments.) What's important to note is how the office space is being used today, and what that means for investors.

A previous metric was that for every new job, one would allocate 250 square feet of office space for each employee. This accounted for the actual office/cubicle as well as an allocation for conference space, hallways, break-rooms, etc. Today, the practice of "shared work space" has evolved as a part of a "shared economy" lead by the likes of Uber and Airbnb. Is the trend here to stay and what does that mean for Landlords?

### Office Sharing Impact on the Market

**1). Industry Outsourcing:** companies that are growing the most include WeWork, which is accumulating the small tenant market occupancy under one umbrella. No longer does the small tenant have to personally guarantee, and commit to a five year lease for its employees. This is accelerating the leasing in many urban office buildings.

**2). Density:** there are more people in smaller spaces, which is taxing on parking and HVAC systems that weren't designed for this high occupancy. This also explains the lack of construction companies are getting by with less shared office environment.

**3). Work Culture:** business is conducted in an open environment that resembles one's living room. There is discussion on whether this is a productive environment, but it seems to be here to stay.

As investors, we are watching these trends carefully. What we are seeing first hand is the desire for unique designs that are costing more to build. It is a more playful and fun environment. A unique design is mainstream; however there may be a disconnect between what the tenant wants, and the realities of cost. Long lease terms are needed to absorb costs. The interior look is far more important than the warehouse exterior. Stay tuned for more to come.

## Mansell Exchange Loft Offices Alpharetta, GA



### Common Elements

- Lounge Areas
- Pool Tables
- Scooters

### Are You an Investor?

We are in pursuit of several investments. If you are an accredited investor and want to be considered for one of these offerings, please reach out to us. Call us today to learn more at 404-698-3535 or [dgibbs@tristarinvest.com](mailto:dgibbs@tristarinvest.com).

Sincerely,

TriStar Real Estate Investment

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