

BUILDING REPOSITIONING

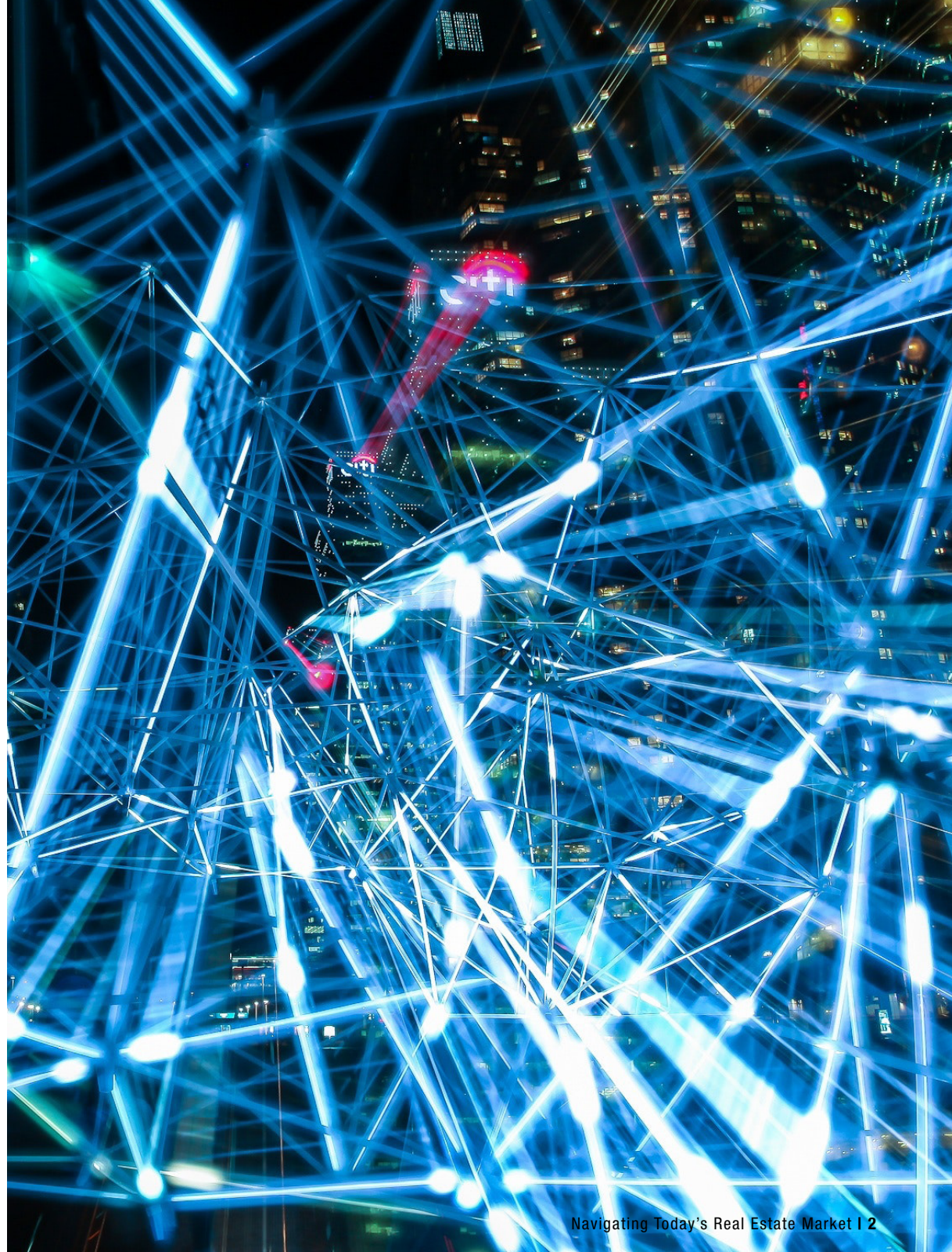
**NAVIGATING TODAY'S
REAL ESTATE
MARKET**

THE FUTURE IS NOW...

The real estate industry is in a state of flux as technology impacts how people work and live at an ever-increasing pace.

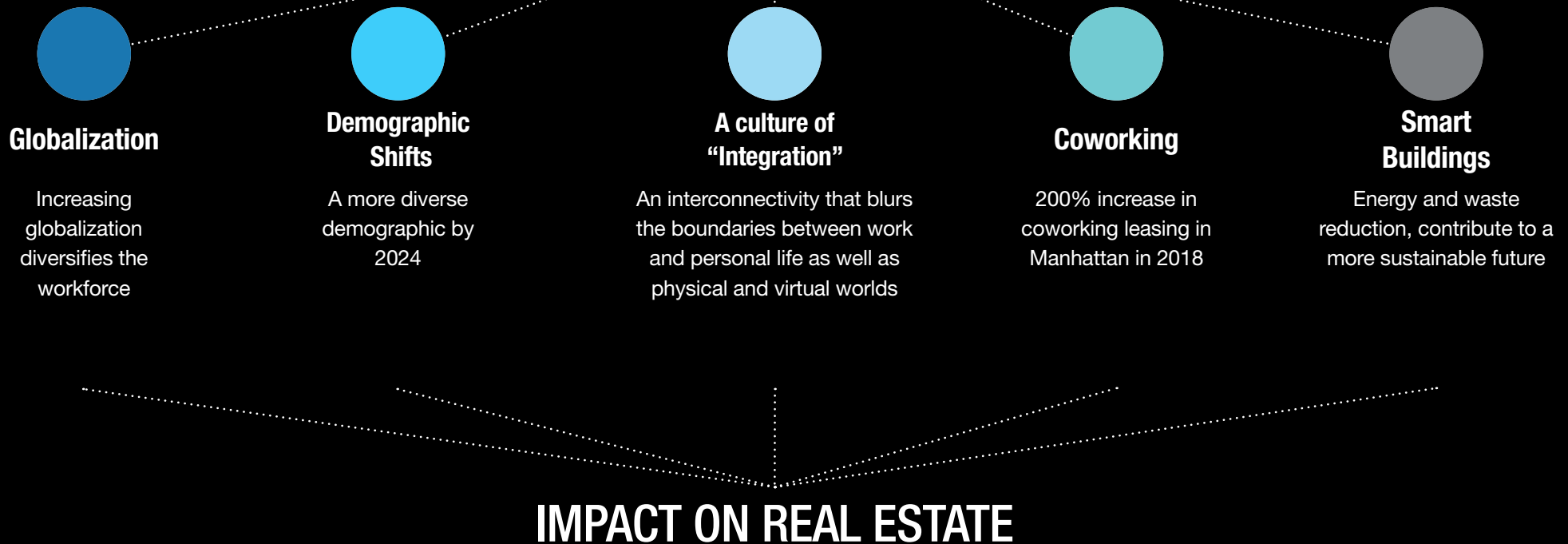
We live in an era which disruptive technologies including the Internet of Things (IoT), artificial intelligence, and advanced robotics change our everyday life. While blurring the lines of the physical and digital, breakthrough technologies are changing the way we think, imagine, live, play, and work for good, and has demanded new approaches and thinking from the real estate industry. The scope of the transformation that is ahead of us is often described as “unlike anything humankind has experienced before.”¹

¹ Klaus Schwab, “The Fourth Industrial Revolution: What it Means, How to Respond”, January 2016.



REAL ESTATE DISRUPTION

TECHNOLOGY



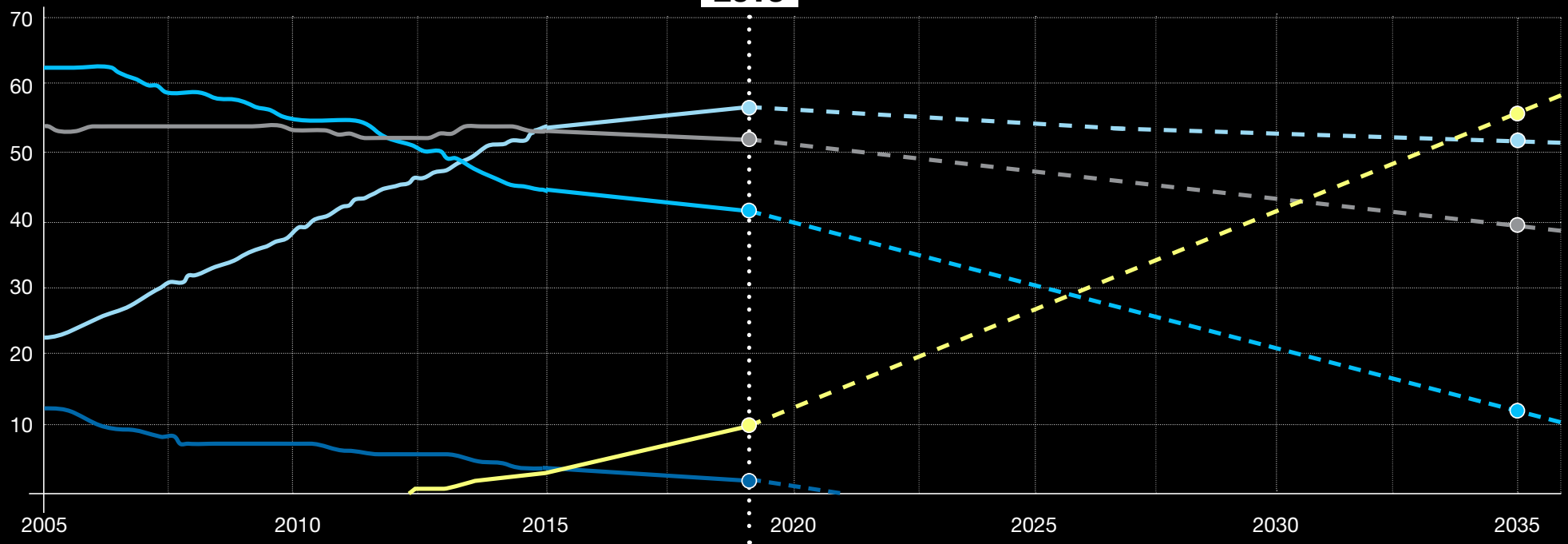
Technology is a core driver of the factors of change for the workforce and the workplace, resulting in major workplace transformations, requirements, and expectations that are disrupting the current real estate market. The competitive landscape as it pertains to the real estate industry is no longer what we expect it to be. **As a result of these impacts and others, tenants are demanding more flexibility in their leases, spaces, and within the buildings they occupy.**

& THIS IS JUST THE BEGINNING...

- Millennials are the dominant generation in the workforce at 35%.
- Gen-Z will reach 2.47 billion and will surpass the Millennial population for the first time in 2019.

2019

U.S. labor force in millions



Source: PEW Research Center (2018)

— Traditionalists (1928-45)
 — Gen X (1965-80)
 — Gen Z (After 1997)
— Baby Boomers (1946-64)
 — Millennials (1981-97)
 - - - - Projections

THE IMPACT OF DEMOGRAPHIC SHIFTS

TODAY'S COMPANY / TENANT

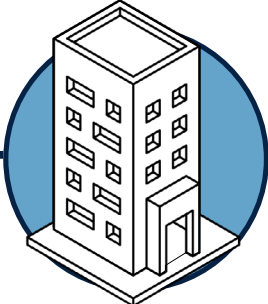
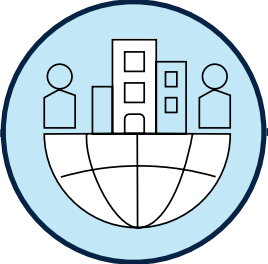
- Wears two hats: "Company" & "Tenant"
- Wants to attract and retain top talent across demographics
- Believes space is a strong asset to an engaged workforce

TODAY'S EMPLOYEE

- Digital Native with high expectations
- Entrepreneurial Spirit
- Socially & Environmentally Conscious
- Craves Social Connectivity
- Eager to Learn & Grow

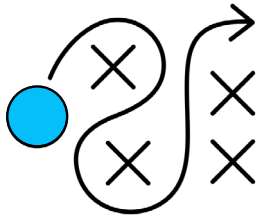
TODAY'S BUILDING

- Must respond to tenant's needs as they respond to their workforces' needs
- For maximum tenant retention, today's buildings must deliver an experience that will satisfy all stakeholders



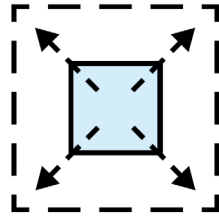
A SHIFT IN REAL ESTATE STRATEGY

1



**A NEW
APPROACH**

2



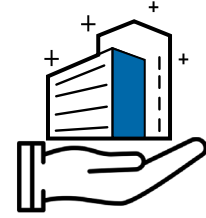
SCALE

3



**PLACEMAKING:
CREATE AN
EXPERIENCE**

4



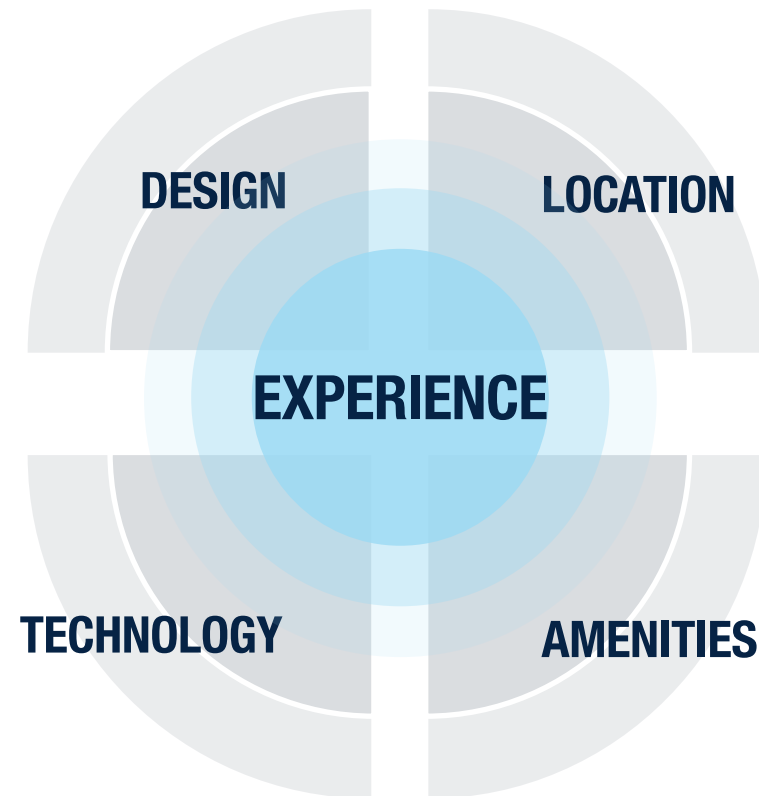
**INCREASE
PROPERTY
VALUE**

1. A NEW APPROACH

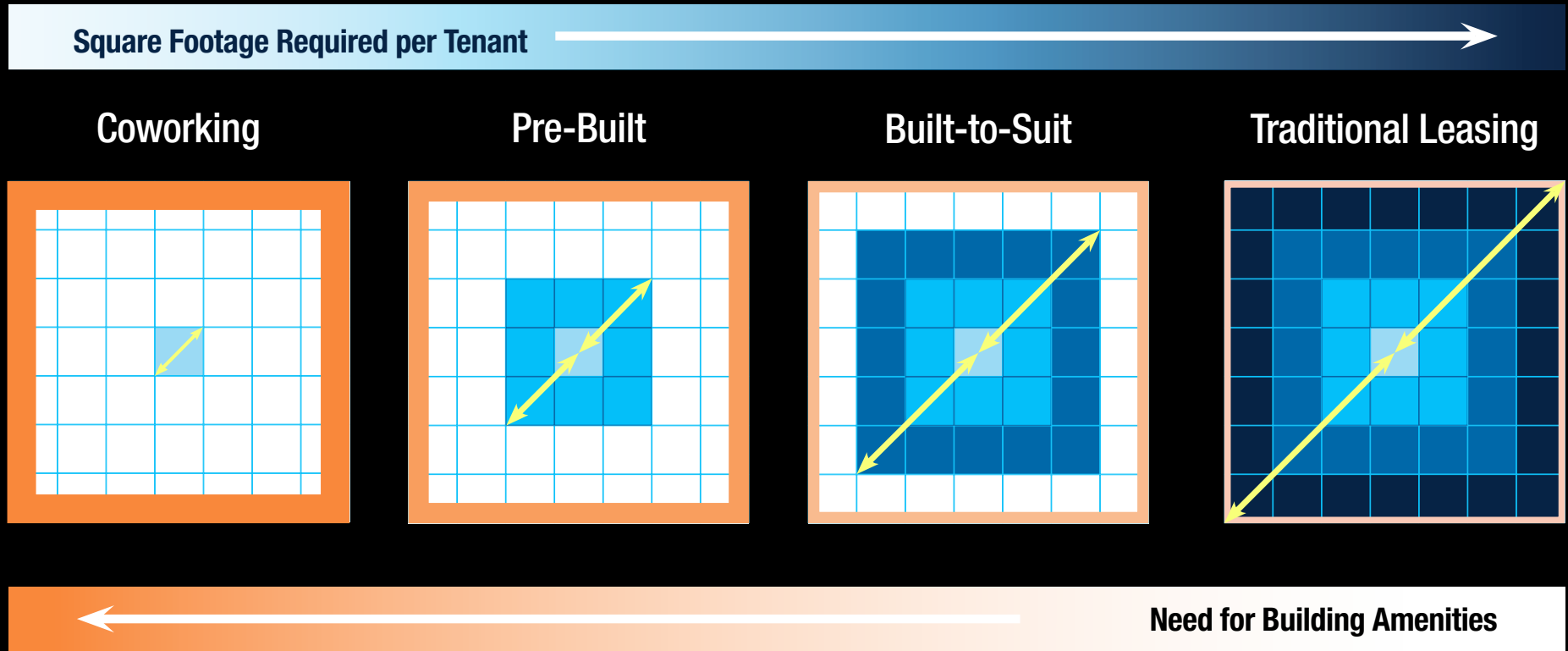
As the boundaries of the traditional “workplace” expand, it moves into newer territories and experiences which extend beyond the workplace and permeate into the building, and the neighborhood, creating a “sense of place”.

Building owners can differentiate themselves in a saturated and evolving market by creating unique experiences via:

- Well-defined sense of place & community
- Well-branded building
- Variety of amenities
- Strong technological infrastructure



2. SCALE



In the Leasing Eco-System, the key strategy is to develop properties that can handle all leasing typologies, supported by a program of common building amenities.

This graphic illustrates the dynamic nature of the eco-system and tenant typologies, as well as the relationship between their square footage requirements and need for building amenity support.

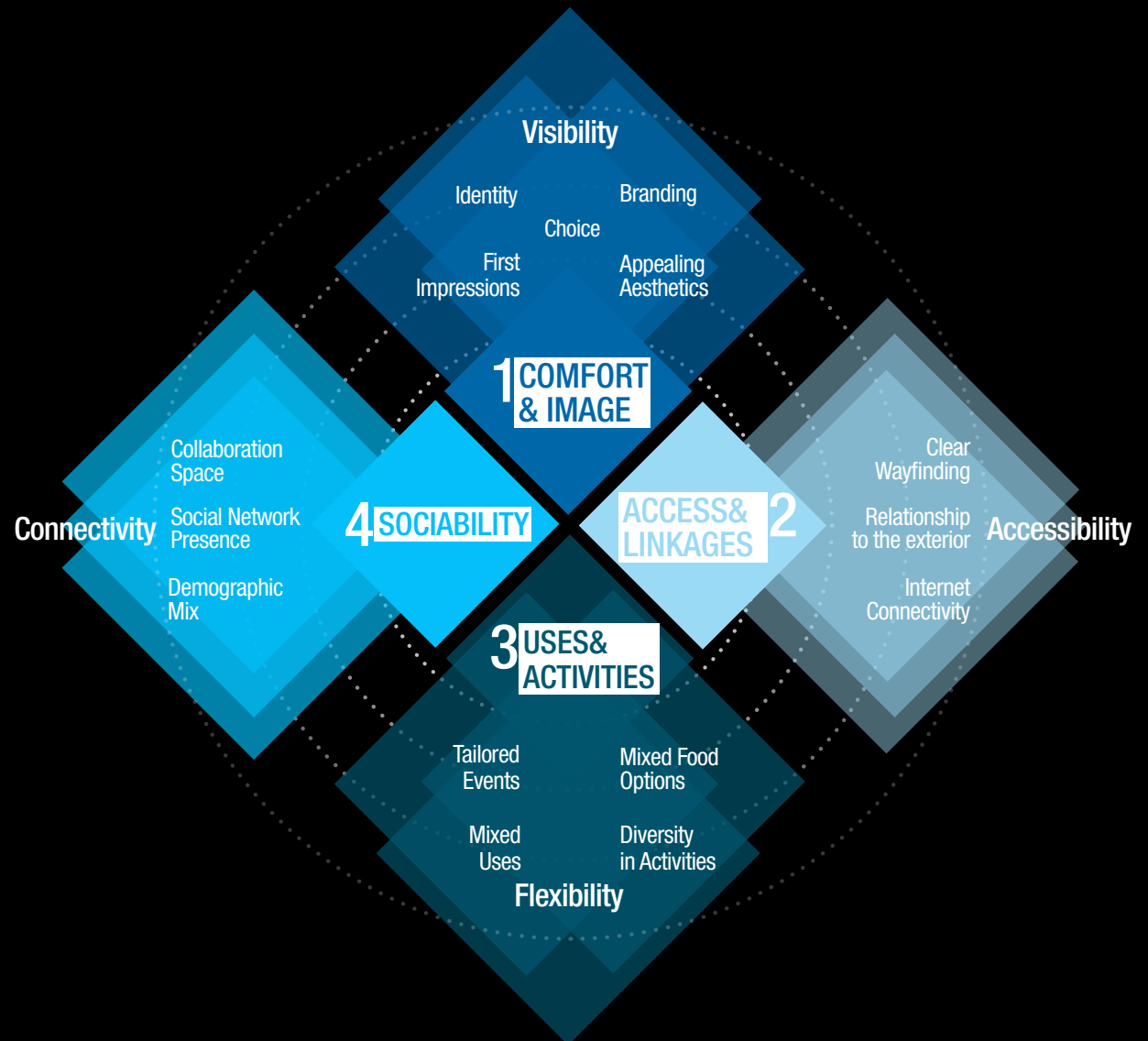
As organizations grow or contract and their needs shift, this eco-system becomes an engine for long-term tenant retention and portfolio diversification.

3. PLACEMAKING: CREATING AN EXPERIENCE

Beyond physical requirements, curating an experience that people want to be part of is a major component of recruitment and retention for both tenants and their employees. This is where placemaking comes in.

An effective placemaking process translates a local community's assets and potentials into public spaces that contributes to people's health, happiness and well-being, while maximizing shared value.²

In the context of real estate, placemaking considers the surrounding neighborhood and building, and the multiple experiences that a location adds to a potential tenant and their employees.



² "What is Placemaking?" Project for Public Spaces, 2019, <https://www.pps.org/article/what-is-placemaking>.

4. INCREASING THE VALUE OF YOUR PROPERTY

“Enlightened owner/developers leverage good design to enhance the real value of a property.”

JAMES PHILLIPS, FOUNDER, TPG ARCHITECTURE

1 BRAND STRATEGY



Create a space that reflects the identity and culture of your brand in a cohesive way.

2 ACTIVATING UNDERUTILIZED SPACES



Activating previously underutilized spaces can provide opportunities that can create ripple effects on a property's value.

3 A RANGE OF AMENITY SPACES

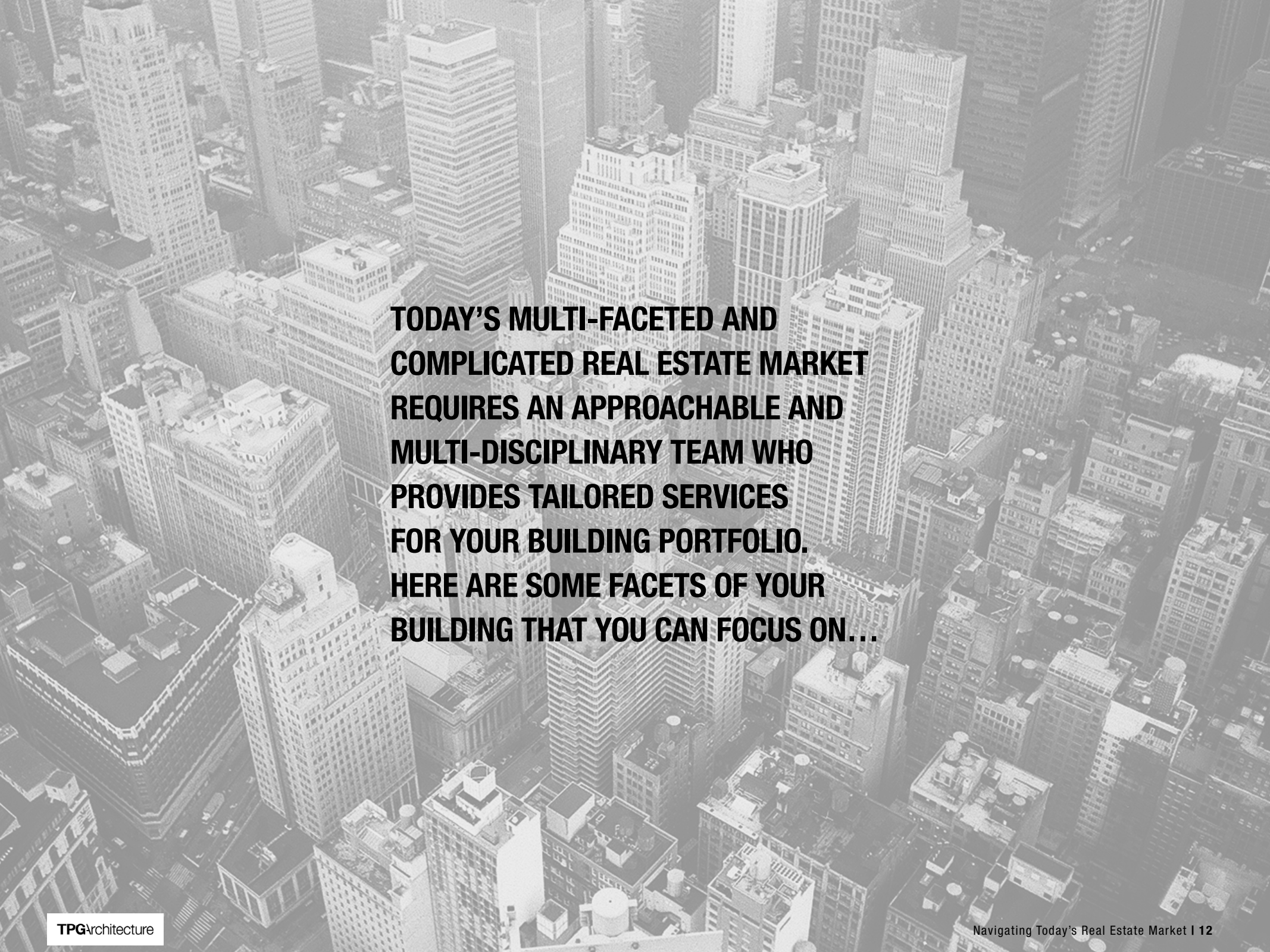


Amenities play a key role in differentiating buildings. Tenants are looking at the available building amenities as they assess the overall experiences of their workplaces.

A RANGE OF UPGRADES

	Must have	Good to have	Great to have
MEETING CAPABILITY	Collaboration areas	Bookable meeting areas	Technology equipped conference center
TECHNOLOGY	Technology infrastructure		Smart building technology
FOOD	Close proximity to vendors	Workplace pantry	On-site cafeteria
GATHERING CAPABILITY	Gathering space	Reservable event space	Curated event space
PHYSICAL WELLBEING	Close proximity to a gym	Discounted gym membership	On-site gym
CONNECTION TO NATURE	Access to daylight	Interior biophilic elements	Outdoor space
MENTAL WELLBEING	Break room	Activity room	Wellness room
LEED / WELL-BUILDING	Use of sustainable materials	LEED certified	Well-Building certified
INFORMATION	Self sufficient	Front desk service	Concierge
SERVICES	Self sufficient facilities management		Third party space operation

The checklist above illustrates some of the different tiers of amenities that could satisfy potential tenants and their employees, **while aligning with your property, strategy, and/or budget.**



**TODAY'S MULTI-FACETED AND
COMPLICATED REAL ESTATE MARKET
REQUIRES AN APPROACHABLE AND
MULTI-DISCIPLINARY TEAM WHO
PROVIDES TAILORED SERVICES
FOR YOUR BUILDING PORTFOLIO.
HERE ARE SOME FACETS OF YOUR
BUILDING THAT YOU CAN FOCUS ON...**

Exterior/Marquee Redesign



Facade Redesign



**REASSESS YOUR PORTFOLIO.
REDESIGN YOUR FACADE.
REBUILD YOUR EXTERIOR IMAGE.**



Portfolio Leasing Strategy

Retail Leasing and Positioning Strategy

Outdoor spaces



Fitness Centers



**CREATE VALUE THROUGH
UPGRADED AMENITY SPACES.**



Break areas



Pantry / Cafeteria

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