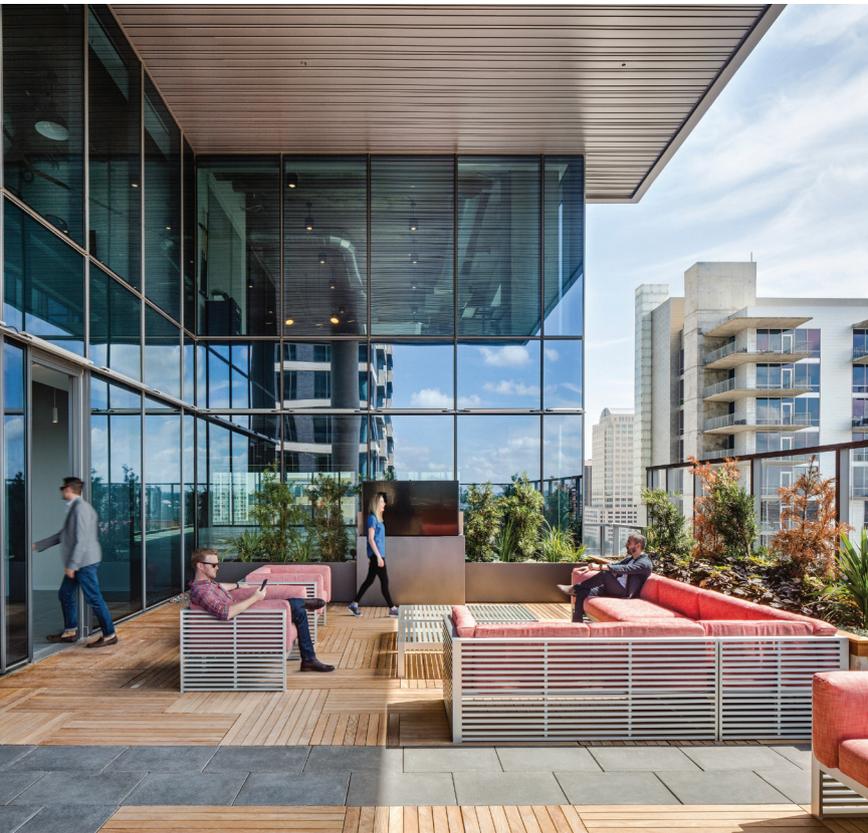


The New Class A Office: How to Reposition Assets to Remain Competitive in Today's Market

BY IAN ZAPATA



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Social Hubs and Third Spaces

A key value proposition of office buildings is their ability to foster social interaction and provide “benefits of membership” for tenants. There is an increased urgency to activate the ground floor and provide opportunities to connect to the outside with outward-facing amenities that can be accessed by the surrounding community.

We are now used to thinking of the workplace as an ecosystem distributed across multiple locations. Many people choose to work somewhere other than their workplace or home, a third

space that offers a change of scenery and an opportunity to be around other people. Amenities like these add value to a building’s ground floor and are most successful when they are outward-facing and offer the same level of service and quality found in a trendy neighborhood cafe. Coworking spaces are ubiquitous and are another way building owners can add value and variety for tenants.

As more people return to the office, we are seeing certain pandemic era predictions come to pass. There is a renewed focus on wellness, hybrid work in one form or another is here to stay, outdoor space is highly valued, and experiential work destinations are winning tenants.

The flight to quality, or more appropriately, the flight to experience, where tenants flock to Class A assets, leaving behind outdated buildings, is a common theme in most of our cities. Owners of Class A assets cannot rest on their laurels: empty downtowns have deprived even marquee assets of the kind of vibrancy that made such destinations special.

Now more than ever buildings need to earn the commute, those 40 minutes a day on average that people gain when they work from home. People are using that time to connect with family and improve their health, so workplaces must respond with amenities that deliver the comforts of home, foster wellness, increase productivity, and nurture social connection.

It makes sense that golf simulators became the must-have amenity a while back and Pickle Ball courts are having a moment. The advantage of a court is that it is an inherently flexible space. Take for example the recent reposition of Chicago’s 167 Green, where the Marquee amenity is an NBA-size basketball court on the 17th floor, with double-height laminated glazing on three sides supplying views of the entire downtown skyline. At 250' above the street, it's probably the highest basketball court in the country. For large events, the hoops can be folded up to the ceiling, and the space can be transformed for business events or large parties. The space opens to a gracious terrace, the center of which is planted with fruit bushes and prairie plants. That may sound a little over the top, but that is the kind of wow factor that closes deals.

Walkability and Diversity of Uses

This may be the hardest thing to provide in some locations because it forces building owners to go beyond the building itself to deal with its surroundings. But the future of business districts may depend on their ability to be more livable. Research has shown that what people want out of their downtowns is safety, good public transportation, and great parks. Real change requires property owners within a district to collaborate with each other and the

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city to improve the experience for everyone. In some areas that may mean retrofitting the qualities of mixed-use developments and the conversion of lower-performing, outdated assets to other uses, or the conversion of not traditional yet character-rich buildings into workplace amenities. In many cases this approach helps convert blighted structures into high-value assets that have a community impact far beyond the building’s perimeter.

Flexibility, adaptability, and wellbeing are driving the next phase of building repositioning. As real estate is viewed more universally, it’s essential to modify office buildings from limited, siloed structures to reinvigorated environments that serve an all-inclusive role within a community. Successful projects will continue to be measured by occupancy and income but, the quality of tenant experience will be a key differentiator in a changing world.

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Ian is a Design Director in Gensler’s Dallas office and a global leader in Repositioning & Landlord Services for the firm. Through Ian’s experience and tenure, he has always asserted that great design depends on the ability of talented architects to become passionate advocates for a client’s visions. His 19 years of experience include planning and designing mixed-use environments, hotels, office buildings, and headquarters campuses, including the award-winning transformation of 400 Record Street in Dallas. Ian is a licensed architect and received his Bachelor of Environmental Design from Texas A&M University.



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