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Why are Amenities and Tenant Mix so Important in an Office Building?

By Lynn Drake, Compass Commercial

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On the hunt for the perfect office for your staff? The office is no longer just space where people show up for work. It is a place that sets the culture of the business. The wrong work environment can contribute to employee turnover. In this article, we will explore the issues of building amenities and tenant mix, both of which should be taken into account before you sign a lease.

Amenities can include lounges, workout rooms, security, assigned parking, small stores, and cafeterias. When I was younger, the only food and beverages a boss would serve to the staff were dried out pizza for a special event or the free mixed drink (with drink ticket) at the annual holiday party. However, many tech companies now look for buildings that have multiple food options, and they pay for their employees' meals while the person is working. With the shortage of technical workers, this is one-way businesses can attract workers, as it saves employees money and keeps them from having to leave the building.

We recently completed a transaction in an expensive office building. The business owner realized that if their location outshone competitors' spaces, more people would be inclined to work for them. In this case, the building had a workout facility, a game room, putting greens, and an amazing cafeteria. The cost of the rent was considered part of the cost of recruiting the best talent.



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While touring, another very important component to take into account is the tenant mix. Most prospective tenants are simply checking to see if their competitor is in the building. Frankly, if you know your firm's culture is better than your competitor's, this might be a good place to be located.

Many buildings have an ideal clientele. For instance, I'm in a building that is 75% law firms. Most of the firms deal with business issues rather than criminal matters. There are no free gyms or game rooms at this location, but there is an excellent cafeteria and free covered parking, both of which are important amenities for people who must leave the building often during the day.

A client in a multi-tenant flex building who had a soundproof recording studio was shocked when a gym moved in next door and played their music so loud that it vibrated all of the pictures off the wall. The landlord does his best to keep the sound and vibration down, but it is still uncomfortable for the existing tenants on either side of the gym. No good resolution has been found to make everyone happy, causing a lot of unnecessary tension.

Some buildings cater to nonprofits, which may bring more people into a building than is typical. The more visitors in a building, the more likely it is that the bathrooms can't be kept clean. In one of the buildings I leased, there were several nonprofits located there. One group took their male clients into the women's bathroom to use the facility. These individuals were capable of using the restrooms themselves. It was not a comfortable situation. In the same building, parents who couldn't afford to pay their rent came in to get financial assistance. At least a once a week, these clients walked into other firms' offices asking for money. Most tenants in this building kept their doors locked just to keep the panhandlers out.

When you are touring for that great new office, really think about the image your firm wants to project in advance. As you walk through the prospective offices, are tenant doors locked? Do the bathrooms need to be cleaned? Or, are the people in the building smiling and talking to one another?

Make sure to check the tenant register, which can often be found next to the front door, to determine if your business is a fit with the other businesses. Finding the right staff for your business is the oxygen that keeps the business going, and that starts with the right location to attract and retain the best staff. Good luck with your tour.

