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# COMMERCIAL PROPERTY **EXECUTIVE**<sup>™</sup>

## CPE Asks ... About Renovation and Reconstruction

Each month, CPE Asks features insights from leading industry executives on a significant issue. This month we look at tenant requests for upgrades.

By Roxana Baiceanu | May 2, 2018



**WHAT ARE THE MOST SOUGHT-AFTER AMENITIES FOR OFFICE PROPERTIES?**



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## **Michael Fallon, CIO, The Fallon Co.**

“Tenants are looking to landlords for efficient and experiential workplace environments. Access to technologically integrated working environments coupled with increased building amenities and flexible designs are all at the top of tenants’ minds. Recent surveys show that the majority of corporate users anticipate the implementation of some level of unassigned seating or activity-based workspace design in addition to technological applications that are intended to enhance occupants’ workplace experience and ability to navigate the built environment. Furthermore, we have seen a trend, exemplified by coworking companies, toward shorter lease terms and more flexibility in expansion and contraction options. The coming challenge for landlords will be offsetting increased flexibility in leases with increased rents and reduced operating costs. Construction pricing continues to rise and emerging technologies for the built environment have yet to significantly reduce upfront costs for IoT core-and-shell construction and tenant upfit.



Michael Fallon, CIO, The Fallon Co.

In terms of specific upgrades, tenants are continuing to look for open floorplates with access to natural lighting and climate-resilient design. Connectivity infrastructure such as wireless mesh networks and IoT capabilities are the new standard. Evolution in workplace design is seen as a way to enhance employee productivity, wellness, space utilization, and talent attraction and retention. Additionally, upgraded security infrastructure such as biometric security, isolated internal computer networks and cloud-based data sharing provide both new risks and opportunities for tenants. ”