



# Notable National & Regional Office Trends

- B and C class office buildings being converted to alternate uses





B and C class office buildings being converted to alternate uses



150 N Main Sale

6230 East Central Avenue  
Wichita, KS 67208  
Phone (316) 684 - 1082

Kelsey H  
Normal Sale

Ace Rewards number: 19284278218  
AUTOMOTIVE BRASS KEY 2.99 tx  
501883  
MP LITHIUM GREASE 16 5.59 tx  
079700113167 (080349)  
MISC MERCHANDISE ACQ 0.59 tx  
000098  
OR  
SUBTOTAL



150 N Main Sale

## 2019 Q3 OFFICE

Submarket	# of Records/ Bldgs	Inventory Square Feet	Vacant Square Feet	Vacancy Rate	Occupied Square Feet	Net Absorption	Weighted Average Rate
<b>CBD</b>							
Class A	9	1,406,418	186,882	13.3%	1,219,536	14,121	\$ 16.35
Class B	75	2,153,882	352,701	16.4%	1,801,181	(24,795)	\$ 12.32
<b>CBD Totals:</b>	<b>84</b>	<b>3,560,300</b>	<b>539,583</b>	<b>15.2%</b>	<b>3,020,717</b>	<b>(10,674)</b>	<b>\$ 13.74</b>
Proposed		149,562					
Under Construction		60,000					
<b>Proposed/UC Total</b>		<b>209,562</b>					

# CBD Vacancy

# Occupancy and Asking Rates



- Garvey Center still is almost 100% leased.





**Suhda Subtraction**

Finney Office Building	200,000
Sutton Place	95,000
Broadway Plaza	58,000
Henry's Building	40,000
221 S Topeka	6,500
<b>Total Square Footage</b>	<b>399,500</b>



# Suhda Subtraction

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CBD Class A Vacancy  
Vacant Class A space will require significant improvements



## The Densification of Office Space Using Open Office Space.

Tenants reducing expenses by becoming more efficient



# Open Office

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# The Experience

- Tenant Amenities
- Recruitment and retention of employees
- HR involved in the office selection





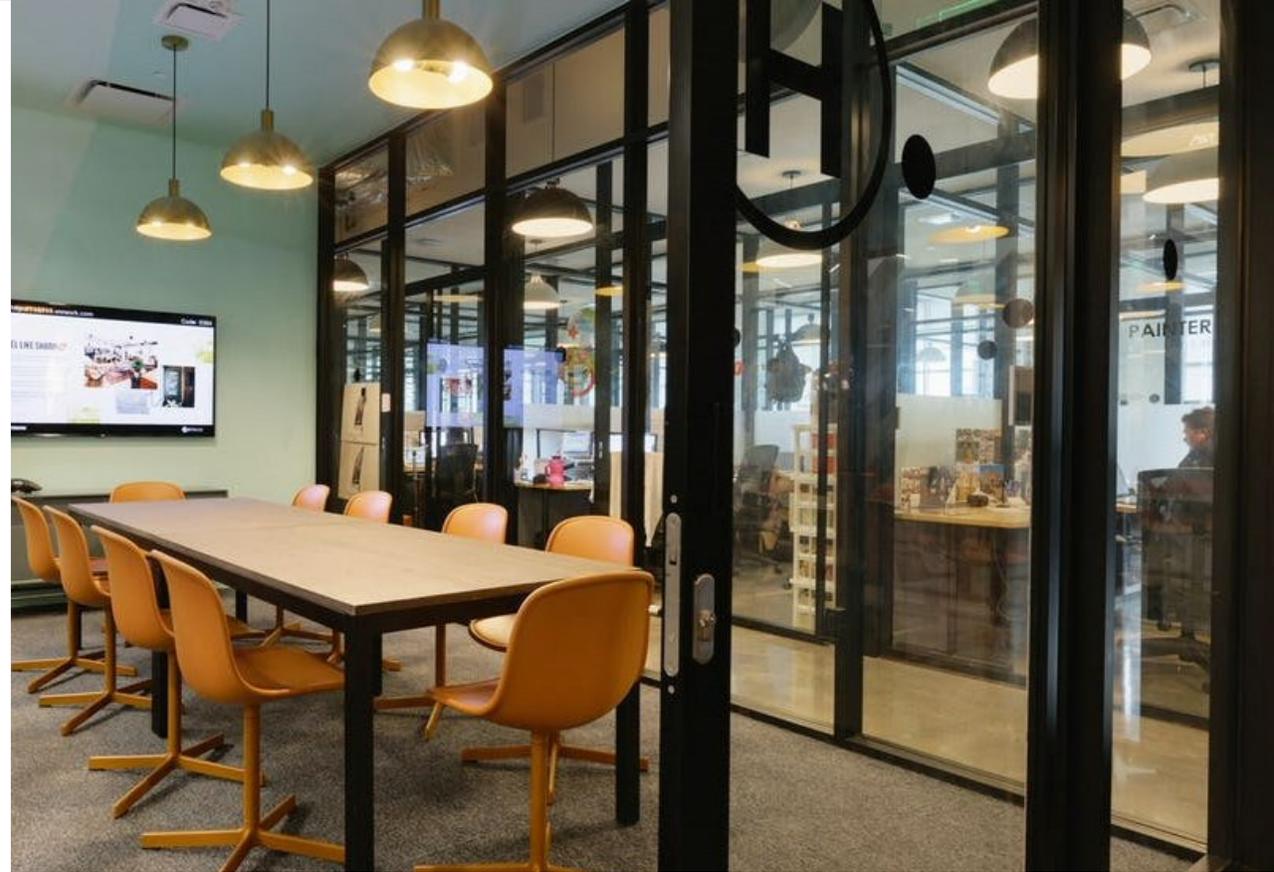
# Amenities



# Amenities

# Shared Space/ Co-working space





Wework Plano Texas



# Martin Pringle relocation

CBD tenant paying new construction rental rates

Downtown's first crane in 25 years  
Bravely Onward !

**Fidelity**  
BANK





\$51,000,000.00

*“This project is being led by the bank’s Office of Culture and Talent, a division focused on attracting and retaining a talented workforce through developing and celebrating our unique culture. Every decision made concerning this development will be vetted through the lens of Fidelity team members and influenced by their input”*





# Ice House Development



# Tenants relocating to the core area



- IMA Financial Group
- Meritrust Credit Union, \$4 million invested in CBD
- Tenants willing to pay new construction prices in Downtown



# Notable Office Sales Transactions Thorn





Notable Sale  
Transactions  
River Park Place  
727 N Waco



# Notable Sale Transactions

- Wilson Estates Office Park WoodSpring Building 56,000 SF



aetna

Handicapped  
Parking

Handicapped  
Parking

Handicapped  
Parking

Handicapped  
Parking

Handicapped  
Parking

# Northeast vacancy and asked rates

<b>Northeast</b>								
Class A	58	1,416,044	141,904	10.0%	1,274,140	5,770	\$	20.37
Class B	95	1,726,631	276,719	16.0%	1,449,912	(46,125)	\$	14.76
<b>Northeast Totals:</b>	<b>153</b>	<b>3,142,675</b>	<b>418,623</b>	<b>13.3%</b>	<b>2,724,052</b>	<b>(40,355)</b>	<b>\$</b>	<b>16.70</b>
Proposed		30,800						
Under Construction		0						
<b>Proposed/UC Total</b>		<b>30,800</b>						



# Notable Lease Transactions



- Corporate Hills / 101 S Webb converted to medical office space
- Berkshire Hathaway HomeServices PenFed Realty moving to Waterfront 18,000 SF



# Two Types of Tenants

- The 1<sup>st</sup>- Concerned with employee attraction and retention

# The 2<sup>nd</sup> “Not So Much”





- The CBD population due to multifamily conversions is at the tipping point for increase in downtown retail and services
- Employers are relocating to the CBD to recruit young talent



Thank you!