

Profimex Market Research Update – July 28, 2020

How Office Owners Can Leverage Amenities to Cut Utility Costs

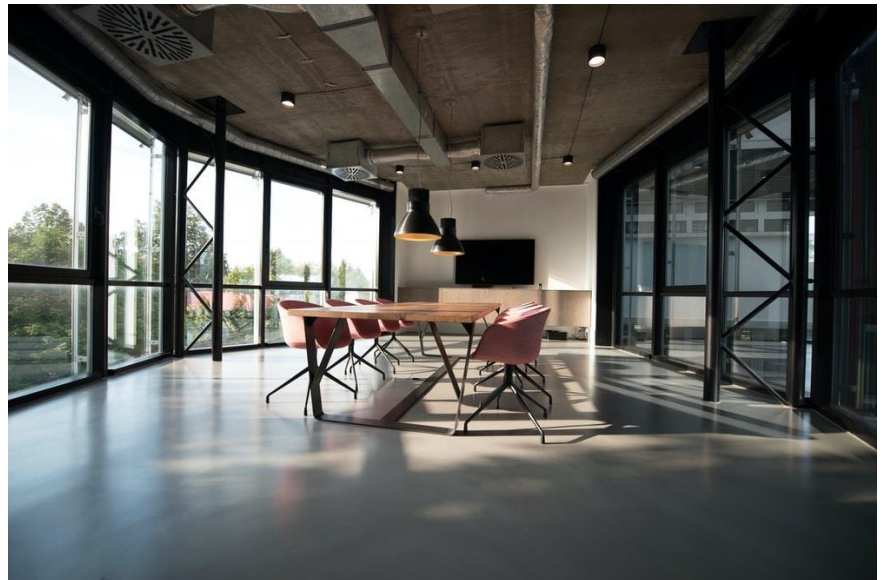


Water features have traditionally been installed in offices and retail centers as decoration or as functional amenity. There is a rising popularity for water features for another reason, which is to decrease utility costs at times where cost minimization may be the key to weather through the COVID-19 storm. "It's clear that there are a multitude of ways that water features enhance an office building's sustainability, which is important to so many tenants and investors in the office sector. Water features can help lower a building's energy consumption by reducing the relative humidity within the interior space, which in turn reduces HVAC load", says Zimmerman, CEO of OTL.

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With Return To Work Slower Than Expected, Office Owners Shift Focus From Buildings to People

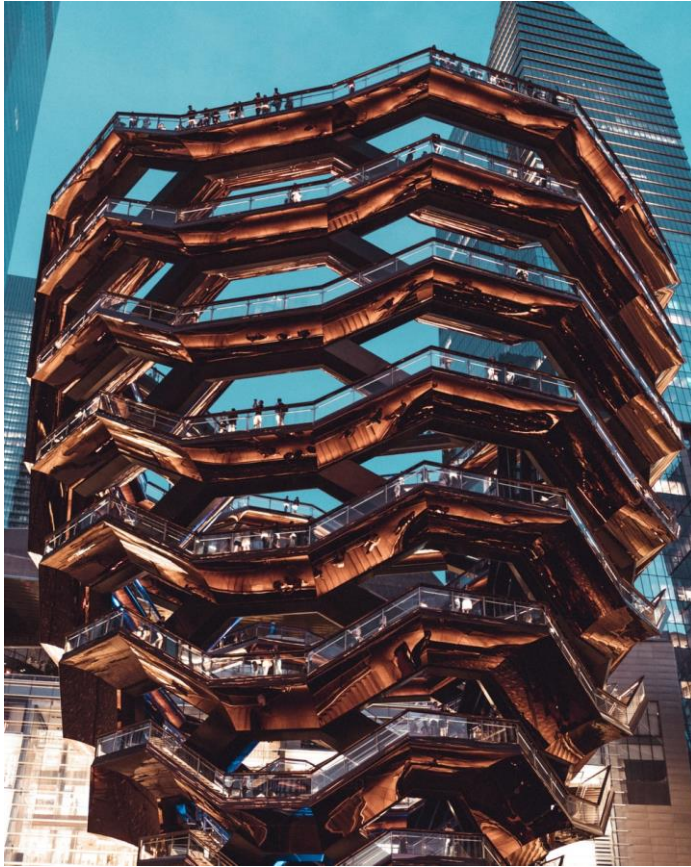
Most office owners expected that physical occupancy would resume upon the reopening process and then gradually increase to normal levels. However, this is not the case yet. Oxford Properties U.S. Head of Office Chris Mundy said that the occupancy level across their portfolio remains below 5% capacity. As a result, owners are now focusing less on preparing their properties for people, which they have already done, but rather on preparing their employees to feel comfortable coming back to the office. HOK Director of Workplace



Kay Sargent mentioned during a recent webinar that "preparing the people for the return to work is going to be far more complex than some of the real estate issues we're dealing with." Another participant mentioned that "organizations need to be thinking about what are we doing to re-onboard occupants as they're coming back into these buildings. At this point, we're relying on everybody's good behavior."

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Neiman Marcus Is Officially Closing Its Massive New Hudson Yards Store



The luxury department store is officially closing its first New York location, a little over a year since the store's big opening ceremony. Since it became clear that the firm is in financial distress, it has also closed other locations in Fort Lauderdale, Palm Beach, and Bellevue, Washington. One of the firm's spokespersons argued that "a physical location in Hudson Yards is no longer an ideal space for us, given the preponderance of restaurants and future office space in that mall. These store closures will help ensure the continued long-term success of our business and underscores our unrelenting focus on providing unparalleled luxury experiences and engagement." The property owner, Related Cos., mentioned in return that the departure "opens up a great opportunity to create incredibly attractive office space."

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