

Asset Class: Office Property

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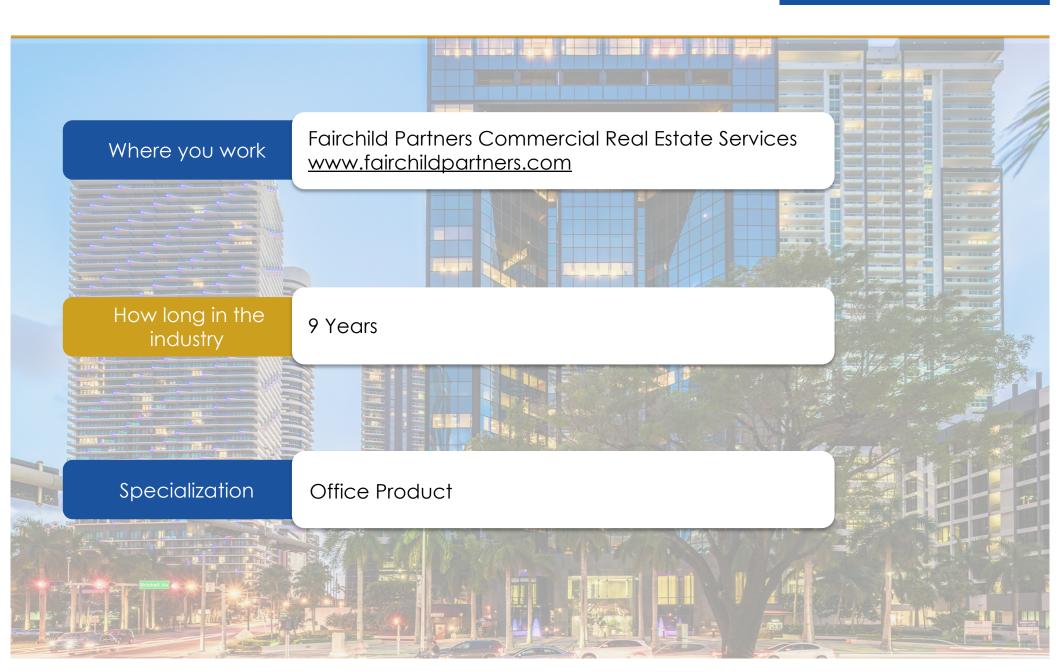


INTRODUCTION



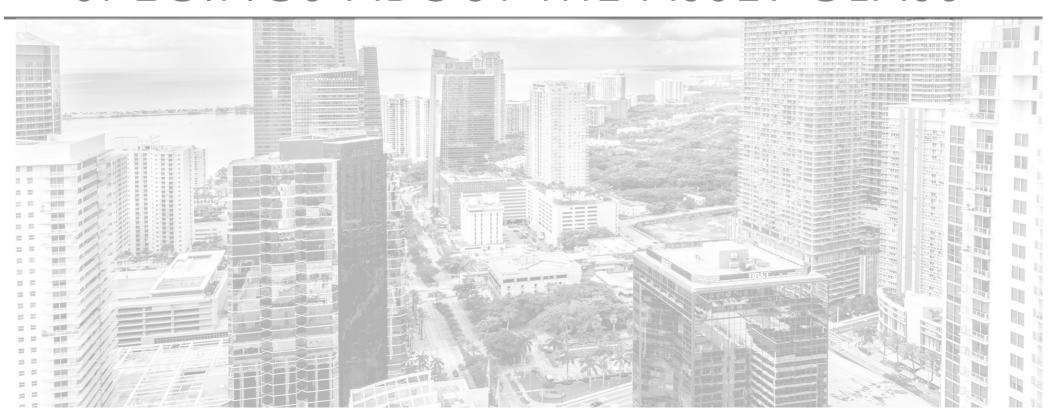
INTRODUCTION







SPECIFICS ABOUT THE ASSET CLASS



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What do investors like about this asset class

- Income Potential / Value Appreciation
- Risk Diversification
- Long term leases / Asset stabilization

What do investors look for to evaluate this product

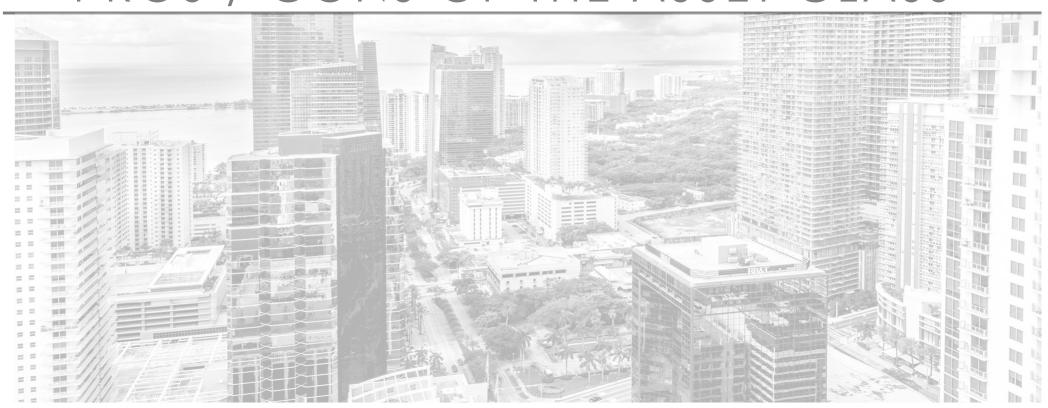
- Current Market Environment
- Condition of the asset / existing layouts
- How to increase NOI by increasing gross income and reducing expenses (all assets)

Why do you specialize in this asset class

- Mentor/colleague gave me the opportunity
- Corporate environment
- Deal with executives/decision makers



PROS / CONS OF THE ASSET CLASS



PROS/CONS OF ASSET CLASS



What are the positives of owning this asset class

- Owner determines level of involvement
- Diversification of risk
- Value Appreciation / returns
- Long term leases

What are the issues to watch out for when owning this asset class

- Cash intensive
- Property maintenance
- Growing demand for parking
- No alternative parking options can limit your market

What to be aware of when brokering this asset class

- Current market conditions
- Different lease structures (tenant representation)
- Market concessions
- When underwriting use accurate information
 - i.e. increased RE taxes



CASE STUDY



INVESTMENT ACQUISITION



Objective

- Acquire income producing office property
- Expected returns 5% to 6.5%
- Stabilized cash flow / not value add
- Local market preferred

Subject Property

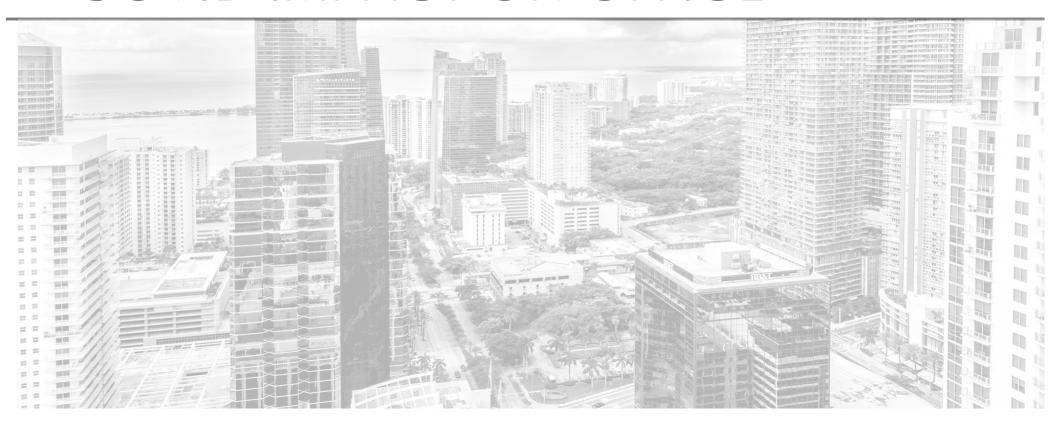
- 12,500 SF Office Building Coral Gables
- Single story with six tenants
- 100% leased upon acquisition
- Completely renovated / No differed maintenance
- Seven private parking spaces additional income

Additional Information

- Cash flow analysis created for the entire holding period
 - Concessions, downtime, TI's, commissions and legal fees
- Held tenant interviews
- Securitization review of all tenants
- Suite layouts very marketable
- Exit strategy potential redevelopment



COVID IMPACT ON OFFICE



THE NEW NORMAL MIAMI-DADE COUNTY



Guide to Reopening
Businesses

List of new procedures that need to take place within the common areas of the property (Landlord's responsibility) and within the tenant's premises (Tenant's responsibility).

Landlord's Responsibilities

- Increase janitorial services / clean hi-touch areas every
 2 to 3 hours
- Sanitizing stations at entrances and in common areas
- Install CDC signage throughout the property
- Signage in elevators to reduce capacity

Tenant's Responsibilities

- Establish new office capacity new social distancing requirements require 350 SF per employee
- Redesign of current furniture layout
- May have to implement multiple shifts
- New cleaning protocols

CONTACT INFORMATION







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