



Pre-Builts Gaining Ground, Going Upscale

By JJ Falk, JJ Falk Design

In this recession, one area that has shown increasing promise, and therefore our undivided attention, is the up-tick in constructing pre-built suites. As part of our ongoing alliance with building owners to provide complete architectural services and pursue steady revenue streams, pre-built suite work has become a valuable commodity in the architectural business.

The “move-in ready” nature of pre-built space has always appealed to companies seeking savings of time and money, along with the freedom of not having to endure the anxiety of a lengthy design and construction period. What’s changed, though, and what makes the pre-built suite more attractive than ever, is the owner’s desire to provide an upscale space to lure a more prudent tenant.

What used to have a loop carpet (and wasn’t it always dark brown!), four painted walls, and a generic 2’ x 4’ ceiling grid, now has light, airy offices filled with glass and wood textures, nifty light fixtures, expensive looking carpets and many other features one might find in a high-end custom office.

In the pre-built universe, it’s a win-win for all involved. It’s cheaper to build than most custom spaces and less to amortize over the life of the lease; there’s less to negotiate about (it’s built already!); and, most importantly, the space comes off the vacancy rolls of the building sooner, which makes both owner and their lenders happy.

Knowing that the greatest variety of space types and footprints draws the biggest audience, we’re also finding that many owners are dedicating more of their vacant portfolio to pre-built space than at any time previously. What this means is having on hand a multitude of pre-built suite types — some dedicated to traditional office layouts, some with open plans, some with a combination of both — positions the owner in such a way as to attract the largest tenant base, all of whom have different

visions of what their space should be.

In reacting to this need for versatility, JJFD commonly provides multiple layouts with multiple finish packages that make it easier for a prospective tenant to identify immediately with a space. The second you limit a pre-built suite to say a blue palette, you just lost all the prospective tenants that have a red logo. The pre-built market is so fast paced that sometimes you only have that one moment to make that impression; if option A doesn’t work, having options B, C and D at the ready increase an owner’s chance of success.

Most pre-builts remain as relatively small and mid-size spaces, usually under 10,000 SF (although JJFD recently completed work on a pre-built space for a vacant post production facility of 30,000 SF). But because they are being developed as part of an overall marketing strategy, much more time is being spent on designing with a specific strategy in mind that may affect an owner’s entire portfolio of pre-built space. To do this, JJFD, for example, provides two or three prototypes that can offer the flexibility of changing in midstream.

It’s happened on more than one occasion that we have designed for multiple suites to be built, let’s say in a ratio of 60% traditional office to 40% open office. Then, as we progressed into working drawings, two of the open office spaces get leased. By having developed the overall strategy for leasing units collectively, and by having spent the time in design to create the flexibility, we can alter the ratio of traditional office to open office with the remaining suites. This, in turn, leaves the owner better represented in the market than if he had leased off all his open office suites, leaving him with a higher ratio of the other.

The recent news that Manhattan office vacancy rates are approaching the 10-percent range will probably not discourage current interest in pre-built suites. We predict it will still be some time before these welcome additions to the leasing market wear out their welcome.

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