

# Don't Let Modernizing Your Building Spook You

As we enter Q4 2024, the commercial real estate market is anything but cooling off. With businesses continuing to move to Austin and surrounding areas, property owners must plan ahead to stay competitive and attract tenants looking to relocate in the bustling Spring of 2025.

Modernization efforts may seem like a daunting task, but they don't have to be a fright! With careful planning and prioritization, you can breathe new life into your building, making it a beacon for prospective tenants instead of a haunted relic of the past.

## UNVEIL HIDDEN POTENTIAL: UPDATE AND REPOSITION SPACES FOR MAXIMUM VALUE

Much like the creepy, cobweb-filled corners of a haunted mansion, old lobbies and corridors can be an eyesore for prospective tenants. Updating these shared spaces can have a major impact on how your building is perceived. Fresh finishes, sleek lighting, and modern furniture can make your lobby and corridors the highlight of your building.

Tenant expectations are shifting, especially in the post-pandemic world. Many businesses are seeking spaces that offer flexibility for hybrid workforces. If you're looking to attract new tenants in 2025, consider adding co-working areas, modern break rooms, or fitness centers to your common areas. The goal is to create spaces that feel welcoming and functional, as well as fit the ever evolving needs for future tenants and businesses.



## DON'T LET YOUR SYSTEMS BECOME SKELETONS

Old and creaky building systems are like skeletons in the closet—eventually, they'll come back to haunt you. Outdated HVAC systems, plumbing, or elevators might seem fine now, but trust us, the ghosts of inefficient systems will drain your budget faster than you can say “boo”.

Start by assessing your building's core infrastructure: When was the last time your elevators were updated? Is your HVAC system inefficient and wasteful? Modernizing these systems can reduce energy costs in long-term pro forma, create tax incentives for improving with American-made green tech, and keep tenants satisfied. By upgrading to more energy-efficient systems, you'll also attract tenants that value or require green energy initiatives.

**ACCORDING TO THE U.S. DEPARTMENT OF ENERGY, ENERGY-EFFICIENT BUILDINGS CAN REDUCE UTILITY COSTS BY UP TO 30%, AND THE SAVINGS WILL HAVE YOU HOWLING WITH DELIGHT, NOT DREAD.**



If all else fails and your vacancy rate is giving you sleepless nights, consider repositioning your property and explore what adaptive reuse construction can offer. Whether it's through rebranding, adjusting its usage, or seeking new zoning opportunities, repositioning can unlock hidden value in your building. Planning for the future might feel like looking into a crystal ball, but it's a necessary step. Spring 2025 may seem far off now, but without proactive modernization efforts, you might find yourself facing the ghosts of missed opportunities.