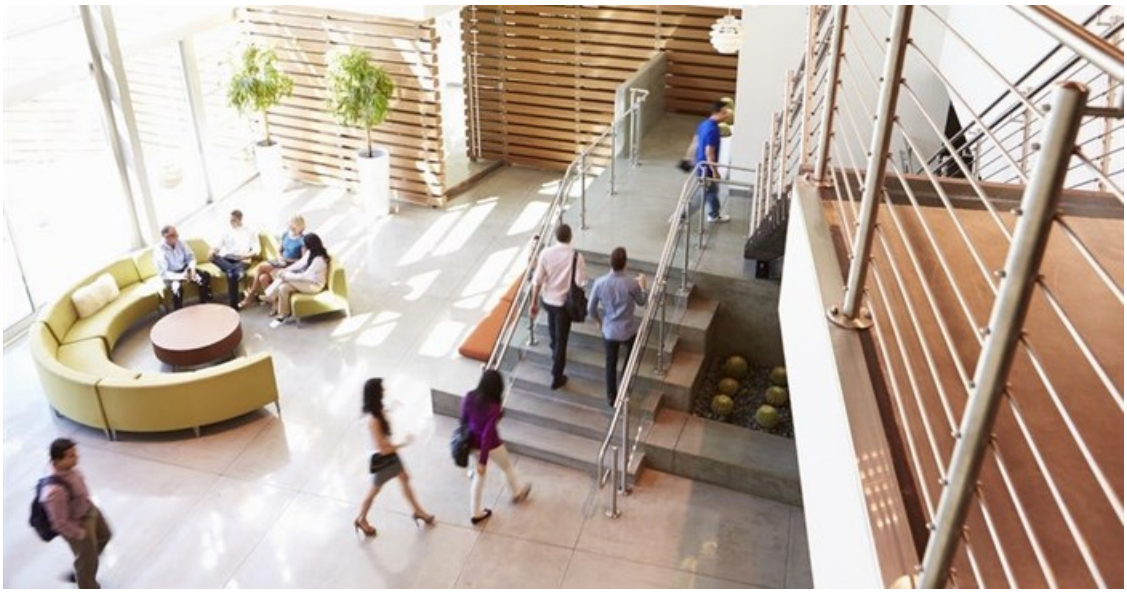
Compact urban living an emerging trend in commercial real estate

With the advent of a flexible work culture and urbanisation, commercial real estate investors are realising the need to adapt to the changing environment. Here's a look at trends to watch out for in the coming year, according to Mike Walters, CEO of Sentinel Property Group and Spacez, as well as the licensee for the newly established Fine & Country Commercial.

Greater demand for commercial-residential mix developments

With rising urbanisation, increasing numbers of people are opting to live in city centres and inner suburbs, preferring to live, work, and play in close proximity. Central location will therefore be key to staff recruitment and for companies.



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When asked about the commercial-residential mix of the future, Walters said, “I believe the commercial-residential mix of the future will be a little like what we are seeing develop on the main arterials of the pedestrian-friendly suburbs of Rosebank, and along the Atlantic Seaboard. Until now, we haven’t seen office and residential accommodation alongside each other in the same building. What we are seeing is cafés, restaurants and convenience stores on the ground floor and serviced office suites and apartments on the floors above. This is following a global trend, as technology and data services improve, people are searching for more experiences, becoming more mobile and becoming more flexible in the process. Compact ‘less hassle’ urban living in these cosmopolitan hubs is increasing, and, in time, as prices rise, will overflow into neighbouring areas.”

Expect more commercial-industrial mixed developments

He adds, “E-commerce, quicker delivery, on-demand information access and manufacturing are influencing industrial property needs. Smaller more flexible spaces in the right position are required to enable increased efficiency and effectiveness for faster and free deliveries that enhance customer experience, thus blurring lines between these two property types.

“The office-industrial combination is already taking place to a certain degree in light industrial parks in our industrial areas. These suit smaller businesses and entrepreneurial-style operations where the office component occupies 25-35% of the building and the rest is modern, clean warehousing for product storage, logistics or vehicle safe keeping and assembly,” explains Walters.



Mike Walters

Rise of collaborative culture

“Startups, freelance and flexible work-sharing initiatives reinforce the need for shared office space with low-risk commitment, collaborative benefits and central meeting points. Commercial, especially office property owners face challenges from new competitors that are redefining office spaces, providing dynamically configurable spaces and flexible leases and associated services.

“Property owners are more aware, and starting to recognise, and create what the market wants, which is a blend of different applications in these popular locations, instead of living in one area, working in another and dining/meeting in another. This type of lifestyle means less time spent in the car, and reduced travel time and costs. It is putting our town planning resources to work, but these mixed-use applications are working, and the increased property values are proof of it.”

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