



In this bright future you can't forget your past. - Bob Marley

Trends: Reflecting on the Past

As much as we focus on the day-to-day political and economic crises, we need to remember that it is trends that dictate how business operates and reacts. Trends are a way to remember the past and gauge what the future could hold. And when we closely examine Montgomery County, we are reminded that our county is a snapshot of global trends and global opportunities.

Let's take a look at a few societal trends and an interesting development trend which could lead to very exciting opportunities for the right tenants and landlords in the region.

Societal Trends Impacting Commercial Real Estate

Lately, I have been reflecting on what is next in terms of the next big real estate trend—what is going to impact how businesses plan for their spaces and create performance driven environments.

Let's take a look at a couple of past trends which impacted the commercial real estate industry:

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act had a major impact on the commercial real estate market. Owners and developers focused their attention to developing an inclusive office environment for all employees and create spaces where all would be welcome. New design trends emerged -- easily maneuverable curbs, ramps, accessible elevators, and bathrooms to accommodate wheelchairs. Those newly focused design elements along with ADA compliance rules changed the industry and had a lasting impact on how we design and plan for inclusiveness.

Recognizing and planning for those with disabilities changed how office leases were done, what amenities were important and all to create an inclusive environment and advance business.

Fast forward to another subset market trend—the green, energy-efficient building.

Green

Commercial building owners and managers will invest an estimated \$960 billion between now and 2023 on greening their existing built infrastructure. WOW....and to think the green building trend started in the late 90s.

Industry pioneer organizations like USGBC and the EPA's Energy Star program created industry standards to help guide building owners in creating efficient and healthier spaces. And the trend took off like wildfire across the region—from tinted glass windows, to low consuming water systems, to energy efficient HVAC systems---owners constructed building improvements and tenants expected green buildings.

The green movement has impacted—as impactful as ADA-- landlords and tenants from how they lease their buildings to monitoring energy consumption.

Our own county is considered a pioneer in the green movement. In April 2014, Montgomery County became the first county in the nation to adopt a building energy benchmarking and disclosure law for public County buildings and certain private commercial buildings that are greater than 50,000 square feet. Known as the Energy Benchmarking and Transparency Law, it was established to assist the commercial building market in reducing energy use and enhancing building operations.

The green movement impact extends to tenants and landlords through building certifications and compliance. Tenants expect green-certified buildings (also known as the USGBC's LEED Program) which means that landlords must take extensive steps to ensure that their properties are operating at LEED mandates. On the landlord side, meeting those certification standards translates into additional lease clauses and expectations of how tenants operate in energy efficient certified buildings.

The green movement has made a significant impact - from how landlords and tenants interact with each other, how building owners document and maintain their energy consumption, and most of all, and hopefully, improving our environment.

Millennials

"Millennials" ranks as one of the most-used words in the English language in recent months, but it's for good reason. This generation, born roughly between 1980 and 2000, make up more than one-third of the U.S. population, making them easily the country's largest demographic.

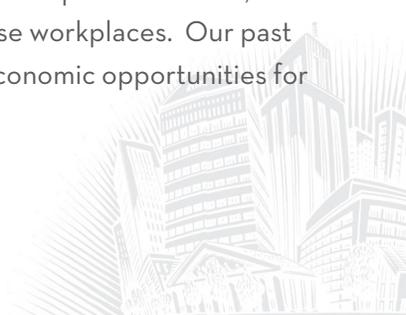
The millennial generation's experience has been unique, thanks to the fact that it was the first to have lifelong access to the Internet. This fact, along with all of the connectivity that it implies, has profoundly affected the cohort's attitudes and behaviors, and this, in turn has impacted our society to a tremendous extent.

Today's workplace, with its rooftop terraces, gourmet coffee, comfortable lounges, bike racks, and meditation rooms can all be attributed to the millennial active needs and wants. It's one of the many ways that this generation is impacting commercial real estate.

Impacting Change

What do these three trends tell us...focusing on one market subset catapults the industry. With ADA, we had an opportunity to revitalize buildings and accommodate; with the Green trend, we made our work spaces healthier, and millennials challenged how we design workplaces and the communities which surround those workplaces. Our past trends, and how they have been embraced, have only furthered the industry and created economic opportunities for all.

What do you think is the next big trend to hit the commercial real estate market?



Neighborhood Trends: Developing the Hidden Gem

In our county, there are not too many neighborhoods left for development and growth opportunities. But there is one pioneer, Stephany Yu, who is leading the charge with redeveloping the Parklawn Drive corridor with state of the art facilities and buildings to house growing, forward-thinking organizations.

She and her company have done it before and I have faith that she is going to do it again. Past trends in the county, like the revitalization of Silver Spring, and the exciting activity surrounding Pike & Rose show that taking perceived under-used neighborhoods, and investing in those neighborhoods can lead to developing thriving economic centers. The Parklawn corridor could be the next development trend in the county.

Stephany is the founder and chairman of Greencourt Group, a real estate investment and development company that has developed over 30 million square feet of residential, commercial and retail properties. Greencourt currently owns and operates more than 1 million square feet of commercial property in Shanghai, and holds more than 20 million square feet of land reserve in China.

Recently, Greencourt expanded to Washington D.C. metro area with their first project on Parklawn Drive. The **Greencourt Innovation Center** capitalizes on the trend of creating environments where collaboration and the entrepreneurial spirit grow.

But what is interesting is what Stephany has planned for the Parklawn Corridor to transform that corridor into a thriving district where arts, business and living come together—creating excitement, new business opportunities and growth potential for the county.

If you are curious about this project, reach out to me and come tour the next up and coming neighborhood in Montgomery County.



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