
Building retrofit and renovation is a market niche for Canadians.

Two qualitative trends in this sector should be noted. Much of the U.S.'s office stock is becoming technologically obsolete both in terms of deteriorating building elements and in the ability to respond to new requirements inherent in advanced information technologies. Retrofit and renovation of existing commercial buildings has often been found to cost less than 50% of new construction.

Canadian architects have been active in retrofit for years. The large number of Class B and C buildings built in the 1960's represents a market opportunity, particularly in the northeastern and Great Lakes states.

New buildings will have smaller blocks of office space reflecting new business needs.

The second qualitative trend is towards smaller offices. Many large companies are reducing their workforces as a result of increased productivity caused by more efficient information technologies. For example, the Fortune 500 companies significantly increased their sales from 1980 to 1985 with 2.2 million fewer employees at the end of that period. In addition, there are 1.4 million small businesses launched in the United States each year. Many of them are in the service sector and require small blocks of premium office space often in non-traditional locations such as older downtown areas.

Canadian firms must be very precise in researching the office market.

Although a building type with which many Canadian firms are familiar and in which they have special expertise, penetration into this market in the U.S. requires precise market research. Firms should carefully study changing requirements and shifting geographic trends before undertaking active promotion in this sector.

2.4.3 Additional Sources

Information on market conditions and marketing forums related to this niche can be obtained from:

- American Planning Association
- MIT Centre for Real Estate Development
- National Association of Industrial and Office Parks
- National Association of Realtors
- National Centre for Municipal Development